



## The Main Newly Acquired Assets

# 40<sup>th</sup>

Fiscal Period Ended  
February 28, 2022

## SEMI-ANNUAL REPORT

September 1, 2021 – February 28, 2022

Securities code 8953



### JMF-Bldg. Akasaka 02 (Minato-ku, Tokyo)

Office



#### An A-class office building in Tameike-sanno of Minato-ku, Tokyo



This property is located right outside the Tameike-sanno Station gateway on the Tokyo Metro Ginza and Namboku lines, and it is also approximately a five-minute walk from the Kokkai-gijidomae Station on the Marunouchi and Chiyoda lines, making it highly convenient for access to four major subway lines. The property was completed in 2011 and the lower floors from the first floor below ground to the second floor above ground are occupied by a bank and clinics, and the floors from 3 to 16 consist of offices. Furthermore, several redevelopment plans are currently in progress in the area and growth is expected for the area.

Location	3-5 Akasaka 2-chome, Minato-ku, Tokyo
Acquisition date	Dec. 1, 2021
Acquisition price/Appraisal value	42,428 million yen/45,000 million yen
Asset class	Office
Land/Total floor area	1,893.72m <sup>2</sup> /17,493.58m <sup>2</sup>
Number of tenants	5

▼ACCESS MAP



### JMF-Residence Chihaya (Fukuoka-shi, Fukuoka)

Other



#### Large-scale prime residential property with good access to Fukuoka's central business area



Example of a residential unit

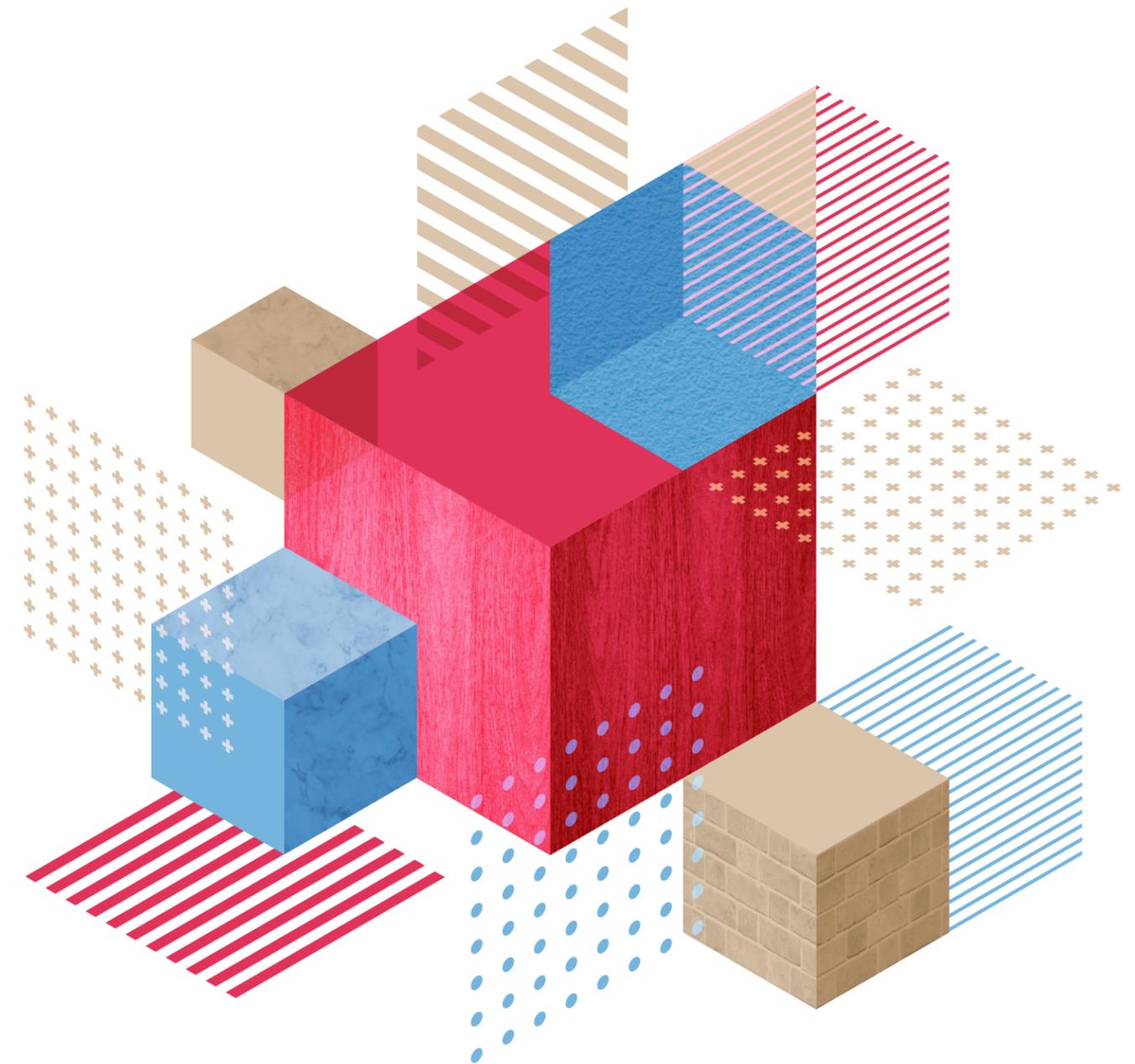
This property is located a five-minute walk from Kashii-Miyamae Station on the Nishi-Nippon Railroad and a six-minute walk from the Nishietsu-Chihaya Station and JR Chihaya Station, enabling it to be accessed from three stations on two lines. It also has easy transport access to Hakata Station (approximately seven minutes) and Tenjin Station (approximately 18 minutes). The property is a 14-story large-scale rental condominium (143 units in total) with a variety of layouts ranging from one bedroom to four bedroom apartments (approximately 35m<sup>2</sup> to 115m<sup>2</sup>). Since the property can accommodate a wide range of rental demand, mainly from families and couples without children, it is expected to provide stable rental income and occupancy rates.

Location	4-25 Chihaya 5-chome, Higashi-ku, Fukuoka-shi, Fukuoka
Acquisition date	(1) Jan. 31, 2022 (2) Mar. 31, 2022
Acquisition price/Appraisal value*	3,280 million yen/3,720 million yen
Asset class	Residence
Land/Total floor area	2,644.63m <sup>2</sup> /10,856.15m <sup>2</sup>
Number of tenants	146

▼ACCESS MAP



\*This is the figure for the entire property, and the appraisal value is as of December 1, 2021





I would like to take this opportunity to express my sincere gratitude to all investors for their ongoing support.

My name is Masahiko Nishida. I was appointed as Executive Director at the General Meeting of Unitholders of Japan Metropolitan Fund Investment Corporation (JMF) held in November 2021.

JMF recently closed its 40th fiscal period (ended February 28, 2022). We attribute our success in this period to the support of our investors, for which we are sincerely grateful. I have worked to support the growth of JMF since my appointment as a supervisory director in January 2010. In my new role as Executive Director, I am determined to improve unitholder value and meet investor expectations. We look forward to your continuing support.

**Masahiko Nishida**  
Executive Director  
Japan Metropolitan Fund Investment Corporation

## Support metropolitan life (live, work and consume) in Japan from the perspective of real estate

### CONTENTS

- 1 About JMF
- 2 Asset Management Company: President & CEO Message
- 3 Highlights
- 4 Asset Replacement
- 5 Expansion of Investment Methods
- 6 Portfolio Status
- 8 Strategic Management Policies
- 9 Operating Status
- 10 ESG Initiatives
- 12 Unitholder Information
- 13 About the Asset Management Company

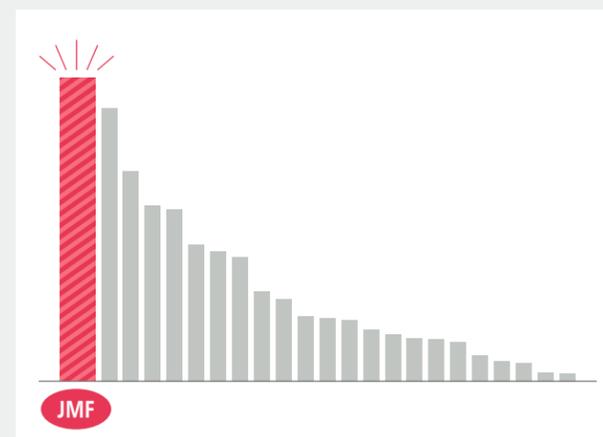


**Largest scale of assets among diversified REITs**

### One of the largest diversified J-REIT

JMF was established on March 1, 2021 as one of the largest diversified J-REIT to support metropolitan life (live, work and consume) in Japan from the perspective of real estate through investing in such properties.

The largest asset size in diversified J-REIT



**Enhanced stability and growth acceleration**

### Pursuing a portfolio that can respond to environmental changes

JMF aims to stabilize its portfolio by expanding its investment universe and investing in "locations where people gather" with social needs over the medium to long term and also aims to achieve sustainable growth in response to environmental changes by building its own unique acquisition scheme.

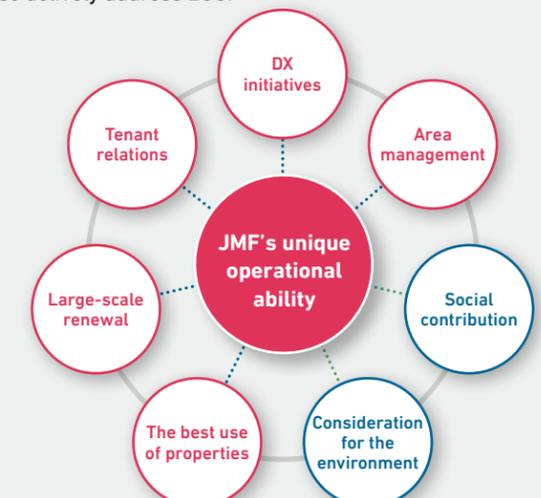
Expanding our investment universe targeted toward urbanization and diversification



**Internal growth beyond the framework of asset type**

### Management professional

In addition to renovating existing properties, JMF also rebuilds or modifies the use of properties in response to environmental changes, and coordinates between properties in the same area. In addition, JMF is constructing a database that integrates and enables visualization of a wealth of information, and more. As a frontrunner in the J-REIT industry, JMF will also actively address ESG.



**Asset Management Company:  
President & CEO Message**

**Distribution per unit was 1.5% higher from the predicted figure at 2,284 yen per unit. This reflects the speedy asset replacement and implementation of new growth initiatives.**

**Katsuji Okamoto**  
President & CEO  
Mitsubishi Corp.-UBS Realty Inc.




**Operational performance for the fiscal period ended February 28, 2022**

JMF is one of the largest diversified REITs among J-REIT. Its mission is to support metropolitan life (live, work and consume) in Japan from the perspective of real estate.

In the short to medium term, JMF will pursue a growth policy focused on the further promotion of urbanization and optimization through strategic asset replacement. In the medium to long term, JMF will pursue external growth through public offerings, M&A, and other means, while also targeting further improvement in profitability through portfolio renewal and redevelopment, and conversion to mixed-use properties. Ultimately, we expect to create a virtuous cycle in which individual properties that form part of the infrastructure for metropolitan life interact with each other, generating synergistic benefits that will increase both individual property values and area values.

In the fiscal period ended February 28, 2022, the future remained uncertain due to the rapid spread of COVID-19 and rising geopolitical risks. However, we continued to implement post-merger growth initiatives targeting external growth, internal growth, and financial and ESG performance.

For external growth, JMF made progress with strategic asset replacement, which forms the core of its short- to medium-term growth strategies, at a faster than expected pace than was projected. We acquired mixed-use, office, and residential properties worth a total of 59 billion yen, and disposed of assets totaling 24 billion yen, consisting mainly of retail properties. There was a 2.5 billion yen gain on dispos-

als. In March 2022, after the end of the fiscal year, JMF acquired two properties including JMF-Residence Gakugeidaigaku, JMF's first new residential property. We also completed the disposal of two commercial properties, including Summit Store Nakano Minamidai. In addition, we announced the acquisition of land with leasehold interest in Karuizawa, the second positive impact real estate investment by J-REIT. Meanwhile, during the fiscal period under review, we acquired additional investment units of Nisshin Private Residential Reit, Inc., a private REIT specializing in residential property, and invested in a fund formed for mezzanine loan obligations. In March 2022, as a new investment target, we also acquired investment units of Hoosiers Private REIT Investment Corporation, which invests in residential properties, healthcare facilities, and other facilities. As above, we made progress in expanding our investment methods.

As for internal growth, even under the current environment, we negotiated increases for 85 commercial tenants and 30 office tenants. We also achieved a steady year on year reduction in the number of vacant spaces. In addition, we replaced tenants and carried out renewal work with the aim of making the best use of properties. We also promoted DX through the launch of the Tsunagu Pass service, which links assets held in the same area.

On the financial and ESG front, we issued a 5 billion yen green bond, continuing from the previous fiscal year. We also refinanced 29 billion yen of debt while also reducing borrowing costs. In addition, we continue to prioritize ESG initiatives, such as earning an A- (Leadership Level) score

in the CDP Climate Change Program for our climate change information disclosure activities, which were evaluated by a third-party organization.

Through these activities, our operating results for the fiscal period ended February 28, 2022, included operating revenues of 40,598 million yen, operating income of 18,808 million yen, and net income of 16,924 million yen, exceeding both the previous fiscal year and the forecast. We were able to provide a distribution of 2,284 yen per unit, which was 1.5% higher than the forecast.

**New Sponsor for the Asset Management Company**

Finally, our sponsors, Mitsubishi Corporation and UBS Asset Management AG, to which we contracted the management of JMF assets, decided to transfer their shares to 76KK, a subsidiary of KKR & Co. Inc. (KKR). Headquartered in the United States, KKR is one of the world's largest alternative asset managers. While KKR will be our sponsor going forward, there will be no change in JMF's investment policies.

KKR has a long track record of success in alternative asset management, including real estate, and will use the networks that it has built with numerous companies to provide active support for our future asset acquisition and growth strategies, as well as for our ESG initiatives. JMF will work to increase unitholder returns to achieve further growth. We look forward to the continuing support of our unitholders.

\*The content of this page is based on information released on April 18, 2022. For an overview of the new sponsor, please refer to P.13 - "About the Asset Management Company"

**Highlights**

- 1 Executed asset replacement at a faster than expected pace while expanding acquisition methods
- 2 Attracted tenants for most properties with vacancies. Further promoted tenant replacement for the best use of properties
- 3 Continued debt cost reduction through refinancing backed by high creditworthiness
- 4 Steadily achieved medium- to long-term targets for our ESG initiatives, including achieving record-high scores from external organizations

**Investment performance/Forecasts for Operating Results**

	Feb. 2021 (38th) fiscal period	Aug. 2021 (39th) fiscal period	Feb. 2022 (40th) fiscal period	Aug. 2022 (41st) fiscal period (Forecast)
Operating Revenue	30.5 bn yen	40.3 bn yen	40.5 bn yen	40.6 bn yen
Operating Income	13.5 bn yen	15.5 bn yen	18.8 bn yen	17.3 bn yen
Net Income	11.8 bn yen	13.5 bn yen	16.9 bn yen	15.3 bn yen
Distribution per Unit	4,500 yen	2,286 yen*1	2,284 yen	2,250 yen

**Portfolio**

No. of properties	Asset size
128 properties	1,211.3 bn yen
Occupancy rate	Unrealized gain
98.5 %	152.8 bn yen
NOI yield	NOI yield after depreciation
4.5 %	3.5 %

**Financial Indicators**

Total interest-bearing debt	Avg. interest rate
549.6 bn yen	0.58 %
Credit ratings	LTV
Japan Credit Rating Agency AA (Stable)	44.1 %

**ESG Indicators**

GRESB rating	Environmental certification acquisition rate
5 stars*2	75.0 %*3

**Equity-related**

Market capitalization	NAV per unit
650.6 bn yen	108,900 yen*4

The values and indices used here were current as of February 28, 2022. The same applies below, unless otherwise stated.

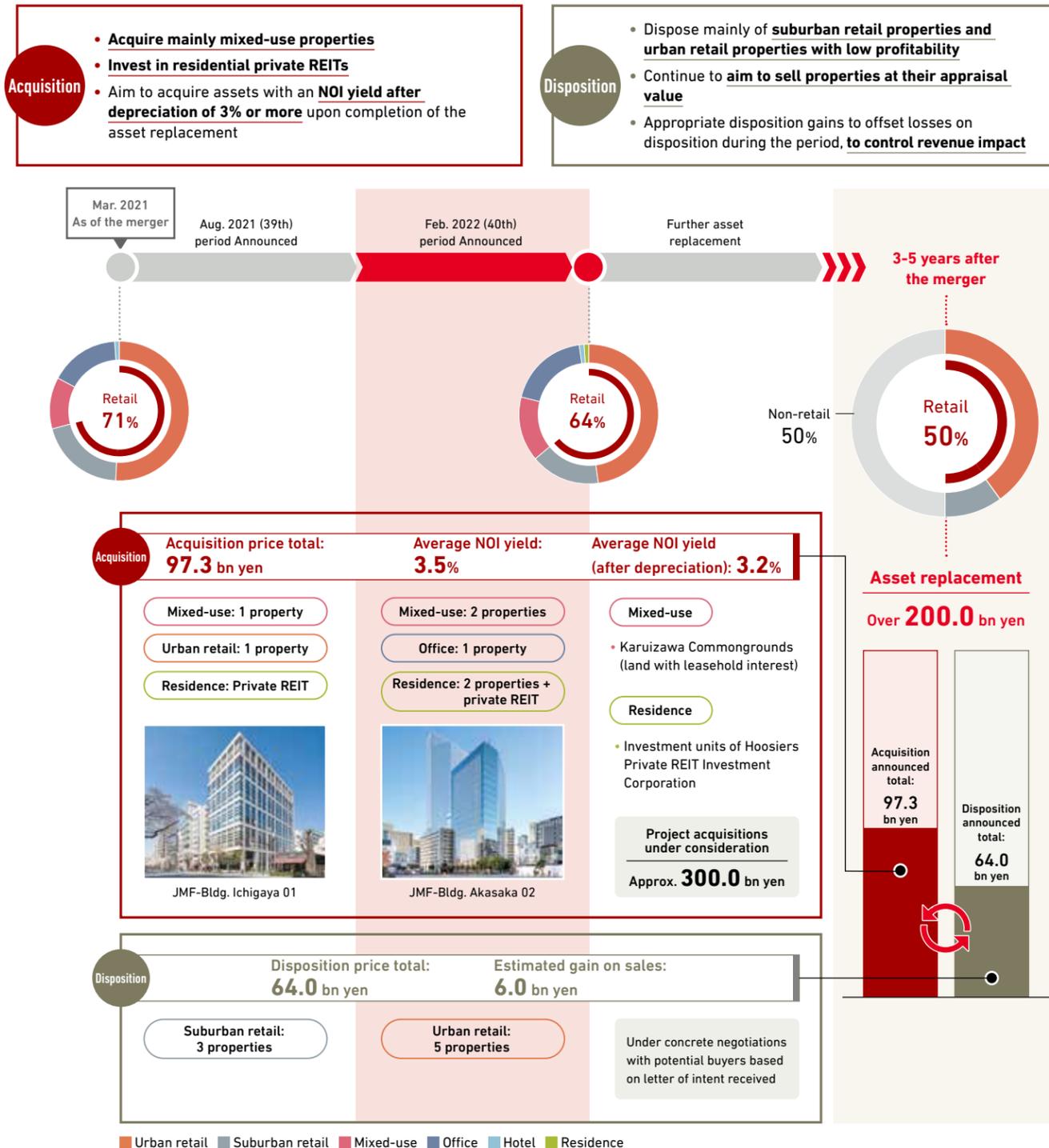
\*1 Each investment unit was split into two investment units with an effective date of March 1, 2021.

\*2 The GRESB rating is as of October 15, 2021.

\*3 The percentage of properties that have acquired environmental certifications is based on total floor area.

\*4 (Net assets + unrealized losses/gains - total distributions) ÷ number of investment units issued

As a diversified J-REIT from the merger, we will execute asset replacement worth over 200 billion yen, aiming to increase the ratio of properties with mixed-use, office, and residential-use, and improve NOI yield after depreciation



We are developing new investment methods in anticipation of external growth following asset replacement. We have also decided to implement positive impact investment from an ESG perspective

**1 Invest in Private Residential REITs**

**Acquire exposure to residential property with high profitability**  
Expand investment and management opportunities in residential properties that offer a dividend yield of 4% or more

**Further promote external growth**  
With regard to properties developed by the sponsors of private REITs, possibility of joint acquisition of large-scale properties that private REITs would have difficulty acquiring on its own and properties outside the investment criteria

**Investment Results**

**Nisshin Private Residential REIT, Inc.**

A private residential REIT whose main sponsor is NISSHIN GROUP HOLDINGS Company, a condominium developer

Acquisition dates	May and July, 2021 <b>January 2022 (additional)</b>
Total investment amount	3,569 mn yen
Distribution yield	4.3%

**Hoosiers Private REIT Investment Corporation**

A private REIT that invests mainly in rental housing whose sponsor is Hoosiers Holdings, a condominium developer

Acquisition date	<b>March 2022 (new)</b>
Total investment amount	1,100 mn yen
Distribution yield	4.8%



DUO FLATS Akasaka

**2 Mezzanine Loan Investment**

**Excellent underlying assets**  
Limit underlying assets of mezzanine loan investment to high-quality assets that meet JMF's investment criteria

**Investment Results**

**Mezzanine funds established by the Mitsubishi Corporation Group**

A fund established by Diamond Realty Management Inc., a private real estate fund management company in the Mitsubishi Corporation Group, for mezzanine loans, backed by a residential property located in Tokyo

Acquisition date	<b>September 2021</b>
Investment amount	780 mn yen

**3 Positive Impact Investment\***

**Expand the scope of ESG initiatives**  
New ESG initiatives that directly link investment in real estate to the realization of a sustainable society

**Earn stable, long-term revenues**  
Earn stable, long-term returns that meet the "market-level, and sustainable returns" required by the Positive Impact Real Estate Investment Framework

\*With this financial approach, investors identify the environmental, social, and economic impacts of their investment activities with the aim of increasing positive impacts and reducing negative impacts in order to achieve the SDGs

**Plan to invest**

**Karuizawa Commongrounds (land with leasehold interest)**  
(Karuizawa-machi, Kitasaku-gun, Nagano)

As JMF's first positive impact real estate investment, we will participate as the land operator in a project in the Karuizawa area by Culture Convenience Club Co., Ltd. that uses the land for a sustainable local community creation project

Acquisition date	<b>December 2022 (planned)</b>
Acquisition price	499 mn yen
NOI yield after depreciation	4.7%



An example of a facility on the land (Shared office)  
Closely related SDGs

JMF invests in carefully selected assets, especially in the three major metropolitan areas of Tokyo, Osaka, and Nagoya, as well as other government-designated cities. Target properties include retail properties, offices, residential houses, hotels, and mixed-use properties that combine these categories.

**Mixed-use**

Properties located in urban areas and used for multiple purposes, such as retail properties, offices, hotels, or residences



**Suburban retail**

Suburban retail properties classified as non-urban



**Urban retail**

Retail properties located on main streets in major business areas, urban retail properties with the potential for conversion to other purposes or mixed-use, and supermarkets and other retail properties near rail stations in densely-populated areas



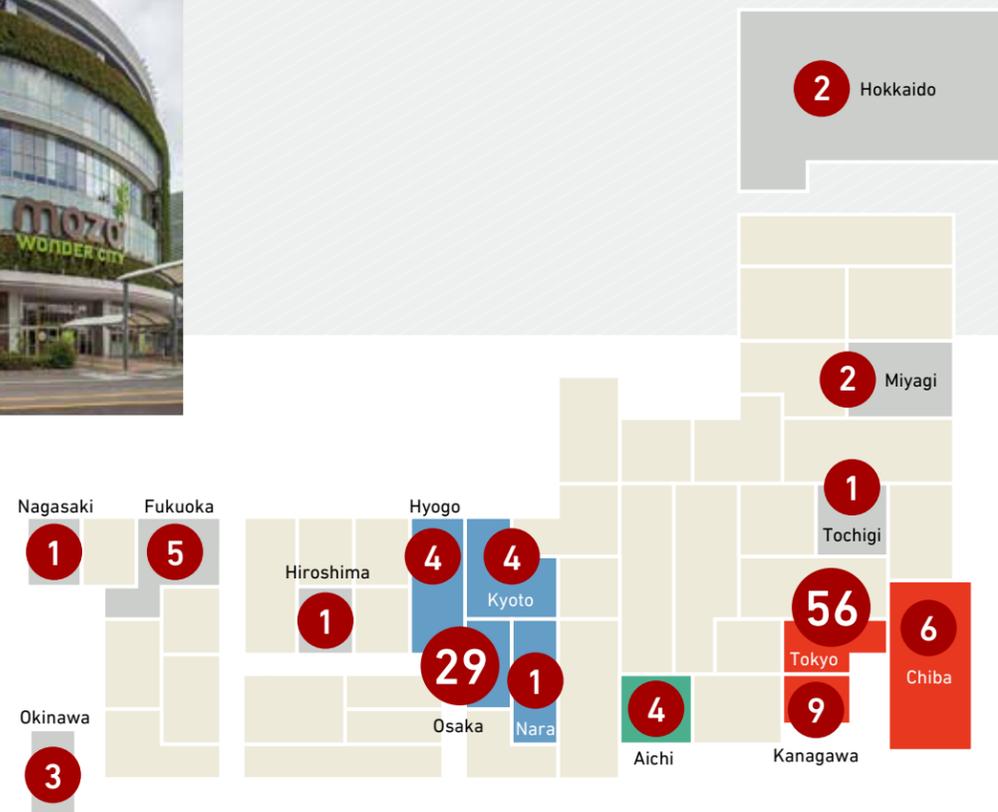
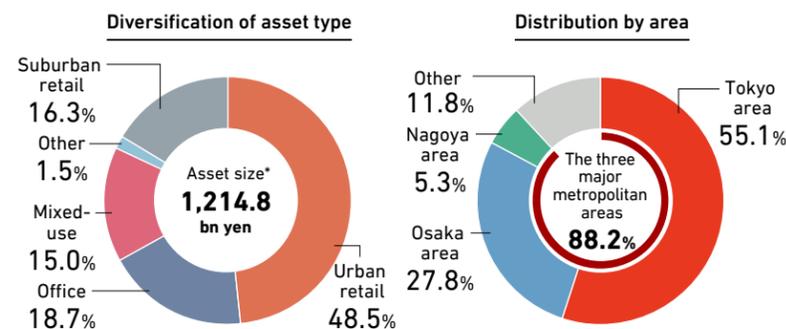
**Office**

Office buildings located in and around major business areas



**Other**

Hotels in urban areas and rental housing, etc., near rail stations in densely populated areas



\*Asset size includes the acquisition price of private REITs investment units.

Maximize profitability and asset values by combining the best use of properties with area management

**The Best Use of Properties**

Make best use of properties to meet rental needs



**Area management**

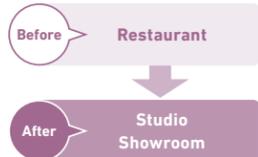
Link assets held in the same area

Examples of the best use of properties by capturing changes in the operating environment

**Tenant replacement through increased need for showroom space in central Tokyo**

▶ **La Porte Aoyama**  
(Shibuya-ku, Tokyo)

A photo maker moved in as a studio and camera showroom after the contract cancellation of a food and beverage tenant



▶ **JMF-Bldg. Jingumae 01**  
(Shibuya-ku, Tokyo)

Replaced a shop and office with a guitar manufacturer's office and showroom



Example of DX-based area management

**Launched "Tsunagu Pass," a cross-transfer service for employees and other users of owned assets (retail, office, hotel, and residence)**

Newly introduced the "Tsunagu Pass" official LINE accounts for retail staff, office workers, hotel staff, residents, etc. at JMF-owned assets\*. Provides timely distribution of retail and hotel service information and coupons according to the attributes of registered users

\*Introduced in the Omotesando area of Tokyo. Scheduled to be introduced in Yokohama and Kansai areas

**Synergistic benefits from the linkage among owned assets**

1. Enhanced recognition of owned assets
2. Create incentives for mutual use among owned properties with different uses
3. Increase sales through mutual use
4. Improve benefits for tenant companies by improving employee satisfaction
5. Accumulate behavioral data through mutual use



Promote leasing and renewal that flexibly responds to environmental changes

**Mixed-use**

▶ **JMF-Bldg. Ichigaya 01**  
(Chiyoda-ku, Tokyo)

**Office block returns to full occupancy**

Four blocks were vacant at the beginning of the period (three office blocks). Office blocks fully occupied in April



▶ **JMF-Bldg. Osaka Fukushima 01**  
(Osaka-shi, Osaka)

**Return to full occupancy**

Two blocks that were vacant at the beginning of the period were fully occupied in March. Furthermore, rent will be increased due to tenant replacement in the lower commercial areas



**Office**

▶ **JMF-Bldg. Toyochō 02**  
(Koto-ku, Tokyo)

**Met tenant needs and achieved full occupancy through renovation**

Six blocks that were vacant at the beginning of the period were fully occupied in March



**Urban retail**

▶ **mozo wonder city**  
(Nagoya-shi, Aichi)

**Large-scale renewal reflecting changes in consumer behavior during the COVID-19 pandemic**

From March to July 2022, we aim to enhance profitability by reviewing store lineups in some blocks and gradually replacing tenants

**Changes in consumer behavior**

- Decreased desire to purchase fashion products
- Diversification in food demand (take-out, delivery, gifts)
- Improved awareness of sustainability
- Use of new shopping services through online utilization

**Points of renewal (provide a customer experience space)**

● **Expanded the consumption of experiences, not things**

Established new facility concept "living with mozo." We replaced some apparel stores with experiential, hobby, and household goods stores to enrich daily life.



● **Created a new food zone**

Reorganized the existing food sales zone to accommodate food needs, and attracted popular local street stores



● **Further promoted sustainability initiatives**

Set up pop-up stores to analyze customer attitudes toward sustainability



## ESG Materiality and KPIs

ESG Materiality	Target	KPI
Response to climate change	Reduction in CO <sub>2</sub> emission	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions per unit by 50% by 2030 (compared with 2015 level)</li> <li>Aim to achieve carbon neutrality by 2050</li> </ul>
Response to sustainability certifications	Improve acquisition rate of environmental certifications	Acquiring certifications for over 75% of the total portfolio (total floor area base)
	Improving sustainability activities through participation in external evaluation institutions	<ul style="list-style-type: none"> <li>GRESB Acquiring "5 stars"</li> <li>CDP Acquiring more than "B"</li> </ul>
Building resilience	Implementing disaster prevention measures	<ul style="list-style-type: none"> <li>Preparing emergency supplies at 100% of the properties where such supplies can be kept</li> <li>Developing an emergency communication network that covers 100% of properties</li> <li>Collecting engineering reports (ERs) regularly for 100% of properties</li> </ul>
Energy efficiency	Improvement in energy consumption	Reduction in electric consumption per unit by 20% compared with 2015 (Target year: 2030)
	Introduction of renewable energy use	Renewable energy ratio of electricity used in business activities to 20% (Target year: 2030)
Ensuring the health, well-being, and convenience of people (tenants)	Improvement in tenant employee space	Improving communication space and break room at the time of renewal
	Visualization of health and comfort	Considering acquisition of wellness certification

## External Evaluation & Percentage of Initiatives for ESG

<b>GRESB Real Estate Assessment</b> <b>5 stars</b> (Highest Rank) 	<b>CDP Climate Change Program</b> <b>A-</b> (Leadership level) 	<b>MSCI ESG Rating</b> <b>BBB</b> 
<b>Environmental certification acquisition rate</b> <b>69 properties, 75.0%</b> (total floor area base) 	<b>Ratio of renewable energy introduction</b> <b>10.9%</b> (percentage of portfolio) 	<b>Percentage of female employees in the asset management company</b> <b>35.5%</b> (excluding officers and temporary employees) 

The inclusion of JMF in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of JMF by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

The website explains SDGs that are closely related to the ESG materiality.  
[https://jmf-reit\\_sustainability.disclosure.site/en/](https://jmf-reit_sustainability.disclosure.site/en/)



### ENVIRONMENT

#### Reduction of electricity prices and CO<sub>2</sub> emissions through the installation of a solar power system

Solar panels have been installed on the roof of Oyama Yuen Harvest Walk (Oyama-shi, Tochigi) by an electricity supplier, and electricity supply to the facility started in March 2022.

Electricity can be supplied from both the electricity company and the solar power system. By prioritizing the use of inexpensive electricity from the solar power system, the facility's basic electricity rates and the cost of renewable energy levies will be reduced. We expect that the installation of the solar power system will reduce annual electricity purchases by around 800,000 kilowatts, which is equivalent to about 350 tons of CO<sub>2</sub> emissions.



Rooftop solar panels

### SOCIAL

#### Food court renewal Abipura Kitchen—A new community dining area

In October 2021, we renovated the first-floor food court in Abiko Shopping Plaza (Abiko-shi, Chiba). The concept behind the new store is "My Daily Table," a dining table that people want to eat at every day since it matches their lifestyles. *Abipura Kitchen* was selected as the new name after it received the most votes in a poll that attracted 1,767 entries. By enabling take-out at all shops and using cypress timber produced in Chiba Prefecture for the interior design, we are contributing to local food support during the COVID-19 pandemic and local production for local consumption.



Abipura Kitchen made from cypress grown in Chiba Prefecture

### GOVERNANCE

#### Governance system and the holding of General Meeting of Unitholders and Board of Directors

JMF is operated by a committee consisting of one executive director and two supervisory directors. Certain matters concerning JMF are decided at the General Meeting of Unitholders (convened at a certain time once every two years), which comprises the unitholders.

In addition, the Board of Directors meeting is held during the fiscal period as indicated below to fully discuss the status of legal compliance and the internal control system.

General Meeting of Unitholders (Date of latest meeting)	Nov. 26, 2021
Number of board meetings/attendance rate (Sep. 1, 2021 – Feb. 28, 2022)	13 times/100%*

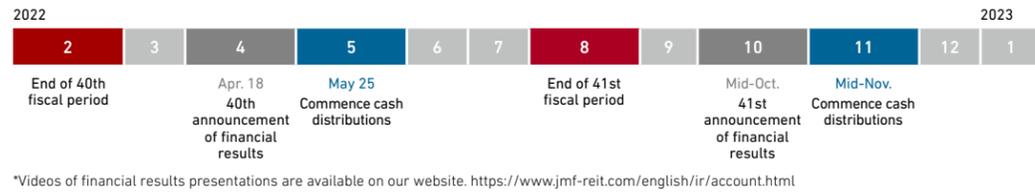
\*Based on the attendance of officers at the time of each board meeting



Supervisory Director Masaharu Usuki    Executive Director Masahiko Nishida    Supervisory Director Osamu Ito

"The new management team appointed in the current period will continue to work toward sustained improvement in JMF's unitholder value."

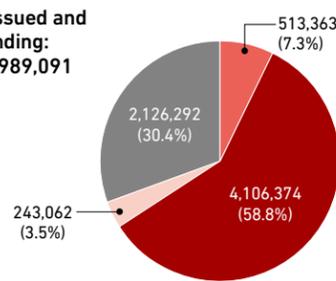
**IR schedule**



\*Videos of financial results presentations are available on our website. <https://www.jmf-reit.com/english/ir/account.html>

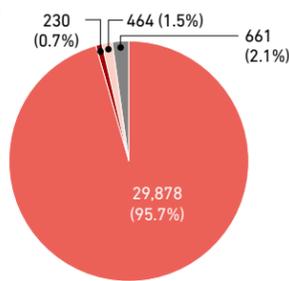
**Unitholders' attribute**  
(As of February 28, 2022)

**Units issued and outstanding: total 6,989,091**



■ Retail investors/Others ■ Financial Institutions (including financial instrument service operators) ■ Other Corporations ■ Overseas Investors

**Total number of unitholders: 31,233**



**Changes in investment unit prices**

(March 1, 2019 – February 28, 2022)

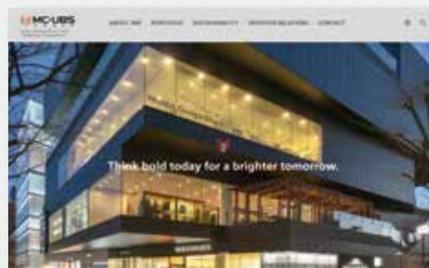
**Market capitalization 650,684 million yen** (as of February 28, 2022)

Fiscal period ended	Highest during the period	Lowest during the period	Closing price at the end of the period
February 28, 2022	112,200 yen (Sep. 6, 2021)	90,400 yen (Jan. 20, 2022)	93,100 yen (Feb. 28, 2022)



\*1 Tokyo Stock Exchange closing price basis  
\*2 As we split each investment unit into two investment units with an effective date of March 1, 2021, figures prior to February 24, 2021, the last day of trading at the pre-split price, have been revised.  
Source: Bloomberg

**You can view the latest information about JMF from your PC or smartphone**



JMF provides individual investors with easy-to-understand explanations of JMF policies, features, and concepts. In addition, you can access detailed information on the website from QR codes\* at various places in this Semi-Annual Report.

\*The word "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.

<https://www.jmf-reit.com/english/>



**We achieve stable asset management by utilizing a wealth of know-how and real estate management capabilities**

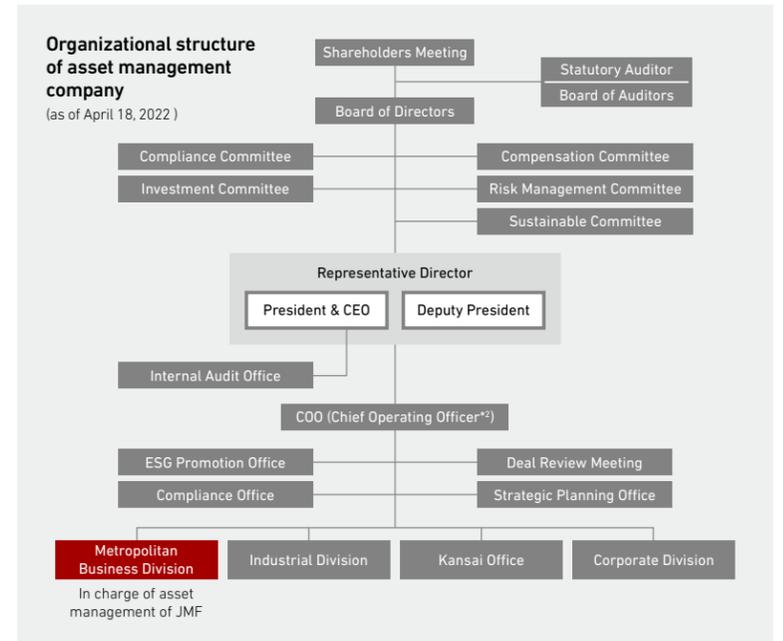
**A professional group of real estate managers who have both the ability to identify properties and develop them**

Established in 2000, JMF's asset management company is entrusted with the management of assets for JMF and Industrial & Infrastructure Fund Investment Corporation.

The balance of assets under management for the two investment corporations has expanded to approximately 1.7 trillion yen\*1, which is one of the biggest totals in the J-REIT asset management industry.

The asset management company has established a system that enables proactive and sustainable real estate management by recruiting specialists with extensive careers and a wide range of qualifications in real estate management, as well as experience in planning, design, and tenant leasing.

\*1 Based on appraisal value



\*2 The Chief Operating Officer (COO) concurrently serves as the Director responsible for compliance.

**Changes in Major Shareholder at the Asset Management Company (as of April 18, 2022)**

On March 17, 2022, Mitsubishi Corporation and UBS Asset Management AG, the sponsors of the asset management company entrusted with the management of JMF's assets (Mitsubishi Corp.-UBS Realty Inc.), announced that they have agreed to transfer all of the shares held by them to 76KK, a subsidiary of KKR & Co. Inc. (KKR).

This will result in a change in both the sponsor and name of the asset management company. However, **JMF's management teams and investment policies will remain unchanged**, and we will continue our focus on increasing unitholder value by pursuing further external growth, internal growth, and financial strategies.

**The date of the sponsor change and the name of the asset management company, etc. has yet to be decided. Please monitor JMF press releases and other disclosure information to ascertain the latest situation.**

**Introducing the New Sponsor KKR**

KKR is a leading global investment firm with USD471bn (55 trillion yen) of assets under management, over 1,900 employees, and boasts over 45 years of investment experience. The firm has on-the-ground presence in Japan with an office in Tokyo since 2006. KKR is also building a real estate investment pipeline through its corporate network, including investee companies.

**Structure of investment corporations**



\*There are no employees as JMF is prohibited from hiring employees pursuant to the provisions of the Investment Trust Law.

# I. ASSET MANAGEMENT REPORT

## Outline of asset management operation

### 1. Operating results and financial position

Fiscal period			36th	37th	38th	39th	40th
As of /for the six months ended			February 29, 2020	August 31, 2020	February 28, 2021	August 31, 2021	February 28, 2022
Operating revenues	Note 1	(Millions of yen)	32,007	30,848	30,518	40,360	40,598
(Rental revenues)	Note 1	(Millions of yen)	(29,985)	(29,061)	(29,392)	(38,022)	(37,812)
Operating expenses	Note 1	(Millions of yen)	17,444	17,020	17,013	24,800	21,790
(Rental expenses)	Note 1	(Millions of yen)	(14,318)	(13,691)	(13,842)	(17,239)	(16,995)
Operating income		(Millions of yen)	14,563	13,828	13,505	15,560	18,808
Ordinary income		(Millions of yen)	12,801	12,116	11,897	13,549	16,924
Net income	(a)	(Millions of yen)	12,800	12,116	11,896	13,549	16,924
Net assets	(b)	(Millions of yen)	435,298	433,725	433,967	623,671	624,859
(Period-on-period change)		(%)	(+0.3)	(-0.4)	(+0.1)	(+43.7)	(+0.2)
Total assets	(c)	(Millions of yen)	899,888	903,461	903,221	1,235,720	1,247,439
(Period-on-period change)		(%)	(-0.1)	(+0.4)	(-0.0)	(+36.8)	(+0.9)
Unitholders' capital		(Millions of yen)	411,878	411,878	411,878	411,878	411,878
(Period-on-period change)		(%)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Number of investment units issued and outstanding	(d)	(Units)	2,618,017	2,602,483	2,602,483	6,989,091	6,989,091
Net asset value per unit	(b)/(d) Note 3	(Yen)	166,270	166,658	83,375	89,234	89,404
Total distributions	(e)	(Millions of yen)	11,781	11,711	11,711	15,977	15,963
Distribution per unit	(e)/(d)	(Yen)	4,500	4,500	4,500	2,286	2,284
(Profit distribution per unit)		(Yen)	(4,500)	(4,500)	(4,500)	(2,286)	(2,284)
(Distribution per unit in excess of profit)		(Yen)	(-)	(-)	(-)	(-)	(-)
Ratio of ordinary income to total assets	Note 4	(%)	1.4 (2.9)	1.3 (2.7)	1.3 (2.7)	1.3 (2.5)	1.4 (2.7)
Return on unitholders' equity	Note 4	(%)	2.9 (5.9)	2.8 (5.5)	2.7 (5.5)	2.6 (5.1)	2.7 (5.5)
Ratio of net assets to total assets	(b)/(c)	(%)	48.4	48.0	48.0	50.5	50.1
(Period-on-period change)		(%)	(+0.2)	(-0.4)	(0.0)	(+2.5)	(-0.4)
Payout ratio	(e)/(a)	(%)	92.0	96.9	98.4	118.0	94.3
Additional information:							
Rental net operating income (NOI)	Note 4	(Millions of yen)	21,044	20,807	20,950	26,944	26,840
Net profit margin	Notes 4 and 5	(%)	40.0	39.3	39.0	33.6	41.7
Debt service coverage ratio	Notes 4 and 5	(Multiple)	14.3	14.0	14.6	12.8	15.4
Funds from operation (FFO) per unit	Notes 4, 5 and 6	(Yen)	6,210	6,081	6,230	2,833	2,985
FFO multiples	Notes 4, 5 and 6	(Multiple)	16.4	13.3	16.8	19.0	15.5
Distributable income per unit after adjustment for taxes on property and equipment	Note 7	(Yen)	4,901	4,653	4,609	2,280	2,276
FFO per unit after adjustment for taxes on property and equipment	Notes 5, 6 and 7	(Yen)	6,210	6,067	6,217	2,828	2,977

Note 1 Consumption taxes are not included.

Note 2 Figures less than the unit indicated in each column have been rounded down for amounts and rounded for ratio unless otherwise indicated.

Note 3 JMF executed a two-for-one unit split (the "Unit Split") on March 1, 2021 as the effective date. Net asset value per unit in the above table shows pro forma per unit information which has been adjusted to reflect the Unit Split as if it had been effective on September 1, 2020.

Note 4 Figures are calculated using the formulas below. Percentages in parentheses are annualized using 182,184,181,184 and 181 days for the 36th, 37th, 38th, 39th and 40th fiscal period, respectively. FFO multiples are unaudited.

Ratio of ordinary income to total assets	Ordinary income/Average total assets Average total assets = (Total assets at beginning of period + Total assets at end of period) ÷ 2
Return on unitholders' equity	Net income/Average net assets Average net assets = (Net assets at beginning of period + Net assets at end of period) ÷ 2
Rental net operating income (NOI)	(Rental revenues - Rental expenses) + Depreciation
Net profit margin	Net income/Operating revenues
Debt service coverage ratio	Net income before interest expenses, amortization of bonds issuance costs and depreciation/Interest expenses
Funds from operation (FFO) per unit	(Net income ± Loss or gain on sales of property + Depreciation + Other depreciation related property + Amortization of goodwill + Amortization of deferred assets ± Extraordinary losses or gains)/Number of units issued and outstanding
FFO multiples	Market price per unit at end of period/Annualized FFO per unit

Note 5 Net income used for calculation of “Net profit margin”, “Debt service coverage ratio” and “FFO multiples” does not include deferred income taxes.

Note 6 From the 40th fiscal period, JMF has changed the calculation method of FFO to “Net income ± Loss or gain on sales of property + Depreciation + Other depreciation related property + Amortization of goodwill + Amortization of deferred assets ± Extraordinary losses or gain”. FFO per unit from the 36th fiscal period to the 40th fiscal period listed in the table above are calculated by new method.

Note 7 The figures indicate pro forma distributable income per unit and pro forma FFO per unit assuming that taxes on property and equipment were not capitalized but charged to income in the periods in which were incurred. These figures are unaudited.

## 2. Outline of asset management operation for the 40<sup>th</sup> fiscal period

### (1) Principal activities

Japan Metropolitan Fund Investment Corporation (“JMF”) was established under the Law Concerning Investment Trusts and Investment Corporations of Japan (Law No. 198 of 1951; as amended) on September 14, 2001. It was the first investment corporation in Japan to specifically target retail real estate assets. It was listed on the Real Estate Investment Trust (“REIT”) Section of the Tokyo Stock Exchange (securities code: 8953) on March 12, 2002.

After that, JMF effected an absorption-type merger (the “Merger”) effective on March 1, 2021 with JMF as the surviving corporation and MCUBS MidCity Investment Corporation (“MMI”) as the dissolving corporation and changed the corporation name from Japan Retail Fund Investment Corporation to Japan Metropolitan Fund Investment Corporation.

During the fiscal period ended on February 28, 2022, as in the previous fiscal year, JMF promoted asset replacement, one of growth strategies after the Merger, and acquired four properties and disposed of four properties. JMF also acquired additional investment units of a private residential REIT and investment limited partnership interests.

As a result, the total assets managed by JMF as at the end of the 40th fiscal period (fiscal period ended on February 28, 2022) amounted to 1,211.3 billion yen (the total acquisition price for 128 properties). The total acquisition price including investment securities such as the silent partnership interests related to Nagoya Lucent Tower and the investment units of Nisshin Private Residential Reit, Inc. is 1,224.3 billion yen.

### (2) Investment environment and results

#### i. Investment environment

##### (Macroeconomic trends)

During this fiscal period, the Japanese economy improved significantly thanks to a recovery in the flow of people due to progress in vaccination against COVID-19, and easing supply constraints and an increase in exports in the automotive sector, with the quarter-on-quarter gross domestic product (GDP) growth rate standing at 1.1% (+4.6% annualized) in the October to December 2021 quarter (secondary preliminary figures announced on March 9, 2022). However, the outlook remains uncertain due to the rapid spread of COVID-19 variants and heightened geopolitical risks since the beginning of 2022.

In capital markets, the Nikkei Stock Average was on a recovery trend, hitting 30,670 yen on September 14, 2021, the highest price in about 31 years, surpassing its year-to-date high set in February of the same year. However, it plummeted in January 2022 due to the impact of U.S. monetary policy and has remained weak since then. In the J-REIT market, the Tokyo Stock Exchange REIT Index started at 2,134 points as of September 1, 2021, the beginning of this fiscal period, but was 1,877 points at the end of February 2022, the end of the current period, following concerns about rising interest rates and a decline in the domestic stock market.

##### (Real estate trading market)

Under low interest rate environments across the world, Japan’s real estate continues to be

attracting much attention not only because the impact of the COVID-19 pandemic on the real estate trading market is relatively small but also because of the country's political and economic stability, and the acquisition environment continues to be severe, with investment appetite remaining strong among domestic and overseas investors.

(Real estate leasing market)

In retail properties, sales of high-value properties remained strong until the end of 2021, backed by increased tendency for going out and growing consumer confidence. Luxury brands continued to show strong interest in opening stores on high streets in central Tokyo, and there was also demand for pop-up stores by such brands. From January to February 2022, sales of cosmetics, clothing, and food and beverages slumped amid the rapid spread of the COVID-19 variants and the implementation of priority measures to prevent its spread. However, signs of a gradual recovery have been seen since late March due to a decrease in the number of new infections and the complete lifting of the priority measures.

In offices, partial lease cancellations and relocations for office downsizing to reduce costs continued to be seen. While vacancy rates have been on an upward trend in some large-scale offices, those for small and medium-sized offices have been rising at a more moderate pace against the backdrop of firm demand for company expansions and relocations and new openings.

## ii. Results

In this environment, JMF completed the acquisition of four new properties (JMF-Bldg. Hiroo 01, JMF-Bldg. Funabashi 01, JMF-Bldg. Akasaka 02, a 50% quasi-co-ownership of trust beneficiary right to the JMF-Residence Chihaya) and the disposition of four properties (a 30% quasi-co-ownership of trust beneficiary right to the G-Bldg. Ginza 01, G-Bldg. Shinjuku 01, G-Bldg. Minami Aoyama 01, a 50% quasi-co-ownership of trust beneficiary right to the Valor Kachigawa (Land with leasehold interest)) in this fiscal period as part of its portfolio property replacement strategy. In addition, as one of the measures to grow through new initiatives, JMF acquired the additional investment units of Nisshin Private Residential Reit, Inc., a private residential REIT and the investment limited partnership interests.

As a result, the assets managed by JMF at the end of the fiscal period totaled 128 properties with a total value of 1,211.3 billion yen on an acquisition price basis and 1,309.1 billion yen on an appraisal value basis. The total leasable area was 2,533,147.83m<sup>2</sup> with the total number of tenants standing at 1,566, and the occupancy rate of the overall portfolio was 98.5%.

Primarily as a result of acquisition of new properties with unrealized gains, disposition of existing properties with unrealized gains, decline in appraisal value of certain existing properties, etc., the unrealized losses/gains <sup>(Note)</sup> of the overall portfolio at the end of the fiscal period decreased by 8.1 billion yen from the end of the previous fiscal period to 152.8 billion yen.

Note: "Unrealized losses/gains" is the difference between the appraisal value or researched value and book value of the individual property.

## (3) Funding

JMF borrowed the same amount to fund the repayment of existing borrowings totaling 29 billion yen that became due in the current fiscal year. JMF also borrowed 6 billion for short-term borrowings to partially fund the acquisition of "JMF Bldg. Akasaka 02" in December 2021. In addition, JMF issued the 2nd JMF Green Bond (2nd Unsecured Investment Corporation Bond) 5 billion yen to appropriate for cash on hand reduced by the acquisition of "JMF Bldg. Akasaka 02", a property adopting to eligible green projects against the backdrop of expansion of financing methods through further strengthening of sustainability activities.

As a result, JMF's interest-bearing borrowings outstanding at the end of the fiscal period amounted to 549.6 billion yen, consisting of short-term borrowings of 6 billion yen, long-term borrowings of 479.1 billion yen <sup>(Note 1)</sup> and investment corporation bonds of 64.5 billion yen <sup>(Note 2)</sup> (including Green Bonds <sup>(Note 3)</sup>).

Consequently, the ratio of long-term borrowings <sup>(Note 4)</sup>, ratio of fixed interest rates <sup>(Note 5)</sup>, and LTV <sup>(Note 6)</sup> were 98.9%, 94.0% and 44.1%, respectively, as at the end of the fiscal period.

Note 1: Long-term borrowings include borrowings that mature within a year.

Note 2: Investment corporation bonds include bonds that mature within a year.

Note 3: The issuance of Green Bonds must adhere to the International Capital Market Association's (ICMA) Green Bond Principles. Green Bonds are a type of bond instrument issued by corporations, investment funds, and municipalities to finance eligible "green projects" (environmentally-friendly investment projects).

Note 4: The ratio of long-term borrowings is calculated by dividing the total of long-term borrowings, investment corporation bonds by the interest-bearing borrowings.

Note 5: The ratio of fixed interest rates is calculated by dividing the total of fixed-rate debts (including debts, which the interest rates are fixed through interest rate swap agreements) and investment corporation bonds by the interest-bearing borrowings.

Note 6: LTV is calculated by dividing the total of interest-bearing borrowings by total assets.

#### (4) Results and distributions

The operating revenue for the period was 40,598 million yen, and operating income was 18,808 million yen after deducting operating expenses such as property taxes and asset management fees. Ordinary income was 16,924 million yen, and net income was 16,924 million yen.

With regard to distributions, in accordance with the distribution policy set forth in Article 26, Paragraph 1, Item 2 of the Articles of Incorporation, JMF intends to distribute in excess of 90% of distributable profit under Article 67-15, Paragraph 1 of the Special Taxation Measures Law of Japan (Law No. 26 of 1957; as amended).

From the fiscal period ended on August 31, 2017, reversal of the retained earnings for Temporary Difference Adjustments accompanying the partial revision of the "Rules on Real Estate Investment Trust and Real Estate Investment Corporations" made by The Investment Trusts Association, Japan, was started and it was decided to add the more than 31 million yen reversal amount onto the dividend.

In addition, with respect to the additional tax burden arising from the discrepancy between accounting treatment and tax treatment, JMF will reduce the accrual of income taxes by making distributions through the reversal of voluntary reserves (reserves for adjustment of temporary differences, etc. or reserves for dividends) and distributions in excess of earnings (distributions equivalent to the increase in allowance for adjustment of temporary differences, etc.).

In accordance with this distribution policy, it was decided to distribute, as a distribution of profit, a total of 15,963 million yen, calculated by adding 199 million yen of the reversal of retained earnings for temporary difference adjustments to, and deducting 1,160 million yen of the provision of reserve for reduction entry of property from, the unappropriated retained earnings at the end of the period of 16,924 million yen. As a result, distributions per unit amounted to 2,284 yen.

### 3. Changes in unitholders' capital

The changes in unit holders' capital and number of investment units issued and outstanding for last five years until February 28, 2022 were as follows:

Date	Capital transaction	Number of investment units issued and outstanding		Unitholders' capital (Millions of yen)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
March 14, 2017	Global offering	112,500	2,664,698	24,143	411,341	Note 1
March 29, 2017	Allocation of investment units to a third party	2,500	2,667,198	536	411,878	Note 2
February 9, 2018	Retirement	(49,181)	2,618,017	-	411,878	Note 3
August 18, 2020	Retirement	(15,534)	2,602,483	-	411,878	Note 4
March 1, 2021	Split of investment units	2,602,483	5,204,966	-	411,878	Note 5
March 1, 2021	Allocation of investment units through merger	1,784,125	6,989,091	-	411,878	Note 6

Note 1 New investment units were issued at a price of ¥221,382 per unit (subscription price of ¥214,605 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 2 New investment units were issued at a price of ¥214,605 per unit through the allocation of investment units to a third party in order to raise funds for acquiring of new real property (remaining proceeds, if any, will be reserved for an acquisition of specified assets in the future).

Note 3 JMF acquired its own investment units at Tokyo Stock Exchange Market based on a discretionary transaction contract with a securities company from October 17, 2017 to January 23, 2018 and retired all of its own investment units on February 9, 2018 according to a resolution of the Board of Directors held on January 26, 2018. As the acquisition cost of its own investment units was deducted from capital surplus, there was no change in unitholders' capital.

Note 4 JMF acquired its own investment units at Tokyo Stock Exchange Market based on a discretionary transaction contract with a securities company from April 14, 2020 to June 5, 2020 and retired all of its own investment units on August 18, 2020 according to a resolution of the Board of Directors held on August 7, 2020. As the acquisition cost of its own investment units was deducted from capital surplus, there was no change in unitholders' capital.

Note 5 JMF implemented a split of its investment units on a two-for-one basis with February 28, 2021 as the record date and March 1, 2021 as the effective date for the unit split.

Note 6 JMF issued 1,784,125 of new investment units and allocated one investment unit after the unit split for each of all the outstanding investment units of MMI in the merger on March 1, 2021.

### Fluctuation in market price of the investment securities:

The market price of the investment securities on Tokyo Stock Exchange REIT Market fluctuated during each fiscal period as follows:

Fiscal period	(Yen)				
	36th	37th	38th	39th	40th
As of /for the six months ended	February 29, 2020	August 31, 2020	February 28, 2021	August 31, 2021	February 28, 2022
Highest price	253,900	210,700	225,600	123,400	112,600
Lowest price	203,700	97,700	149,200	99,300	87,000
Closing price at end of period	205,100	159,900	Note 105,300	106,900	93,100

Note JMF implemented a split of its investment units on a two-for-one basis with March 1, 2021 as the effective date for the unit split. The market price as of February 28, 2021 reflects the unit split.

## 4. Distributions

In accordance with the distribution policy in JMF's article of incorporation 26, Paragraph 1, Item 2, JMF makes distributions in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan. From the six months ended August 31, 2017, JMF has also commenced to reverse retained earnings for temporary difference adjustment, equal to or more than ¥31 million every fiscal period, and appropriate the reversals to distributions by applying the revision of the Ordinance on Accountings of Investment Corporations as well as the regulations of the Real Estate Investment Trusts and Real Estate Investment Corporations as stipulated by The Investment Trusts Association, Japan.

For the six months ended February 28, 2022, JMF declared a total of ¥15,963 million cash distributions consisted all of retained earnings at the end of the period amounting to ¥16,924 million after reversal retained earnings for temporary difference adjustment amounting to ¥199 million and provision of reserve for reduction entry of property amounting to ¥1,160 million. As a result, distribution per unit amounted to ¥2,284 for the six months ended February 28, 2022. Distribution in excess of profit prescribed in the article of incorporation 26, Paragraph 2 is not made.

Retained earnings (including reserve for dividends and reserve for reduction entry of property) shown in below table will be distributed mainly when; (a) a net of gain or loss on sales of property due to strategic replacement of investment assets in same fiscal period and loss on disposal of property due to a large-scale renewal for replacing tenants results in loss, or (b) additional income tax expenses due to differences between accounting profit and taxable profit are charged.

Fiscal period	36th	37th	38th	39th	40th
As of /for the six months ended	February 29, 2020	August 31, 2020	February 28, 2021	August 31, 2021	February 28, 2022
Net income (Thousands of yen)	12,800,544	12,116,300	11,896,522	13,549,190	16,924,222
Retained earnings (including reserve for dividends and reserve for reduction entry of property) (Thousands of yen)	6,880,184	7,285,311	7,470,660	5,042,789	6,003,928
Total distributions (Thousands of yen)	11,781,076	11,711,173	11,711,173	15,977,062	15,963,083
(Distribution per unit) (Yen)	(4,500)	(4,500)	(4,500)	(2,286)	(2,284)
Profit distributions (Thousands of yen)	11,781,076	11,711,173	11,711,173	15,977,062	15,963,083
(Profit distribution per unit) (Yen)	(4,500)	(4,500)	(4,500)	(2,286)	(2,284)
Unitcapital refunds (Thousands of yen)	-	-	-	-	-
(Unitcapital refunds per unit) (Yen)	(-)	(-)	(-)	(-)	(-)
Unitcapital refunds from retained earnings for temporary difference adjustment (Thousands of yen)	-	-	-	-	-
(Unitcapital refund per unit from retained earnings for temporary difference adjustment) (Yen)	(-)	(-)	(-)	(-)	(-)
Unitcapital refunds from deduction of unitcapital under tax rules (Thousands of yen)	-	-	-	-	-
(Unitcapital refund per unit from deduction of unitcapital under tax rules) (Yen)	(-)	(-)	(-)	(-)	(-)

## **5. Management policies and Issues**

On a short-term basis, the economic fundamentals and corporate performance should continue to be closely monitored amid the prevalence of the new variant of the coronavirus and increasing geopolitical risks such as the uncertain future situation in Ukraine. In the retail sector, there are signs of a recovery in consumer sentiment, and demand has been resilient. In the office sector, although remote work is becoming increasingly popular, there have been moves to search for a new style of office, and steady demand is expected to continue.

However, on a medium- to long-term basis, new need may arise for various usages in urban areas, as people's work styles, dwelling styles and consumption patterns are changing considerably. Thus, management capabilities that cover specific properties or specific areas and are not limited to existing applications and property categories are thought to be necessary.

## 6. Subsequent events

### *Disposition of properties*

JMF disposed of the following property on March 1, 2022.

Property name: G-Bldg. Ginza 01 (30% of quasi-co-ownership in trust beneficiary interest)  
Summit Store Nakano Minamidai (trust beneficiary interest)  
Disposition amount: Not disclosed<sup>(i)</sup>  
Completion date of contract: November 30, 2021  
Disposition date: March 1, 2022  
Purchaser: Hulic Co., Ltd.

#### Notes:

- (i) The breakdown of the disposition amount is not disclosed because the consent from the purchaser has not been obtained. On November 30, 2021, JMF signed a disposition contract for properties (G-Bldg. Ginza 01, G-Bldg. Shinjuku 01 and Summit Store Nakano Minamidai) for ¥20,820 million in total. G-Bldg. Ginza 01 (30% quasi-co-ownership of which) and G-Bldg. Shinjuku 01 were transferred to the purchaser by the end of the fiscal period.
- (ii) Gains on sales of property of approximately ¥1,817 million will be recognized in profit as operating revenues for the six months ending August 31, 2022.

JMF disposed of the following property on April 21, 2022.

Property name: G-Bldg. Jingumae 02 (trust beneficiary interest)  
Disposition amount: ¥1,850 million  
Completion date of contract: April 21, 2022  
Disposition date: April 21, 2022  
Purchaser: Not disclosed<sup>(i)</sup>

#### Notes:

- (i) Name of the purchaser is not disclosed because the consent from the purchaser has not been obtained.
- (ii) Loss on sales of property of approximately ¥423 million will be charged as operating expenses for the six months ending August 31, 2022.

### **(Other information)**

#### *Changes in major shareholder*

On April 28, 2022, Mitsubishi Corporation and UBS Asset Management AG transferred all shares of the Asset Management Company (KJR Management) held by them to 76KK, an indirect subsidiary of KKR & Co. Inc. (hereafter the “Change”).

Result of the Change, 76KK has become the parent company prescribed under Article 8, Item 3 of the “Regulation for Terminology, Forms, and Preparation Methods of Financial Statements” (Ministry of Finance Order No. 59 of 1963) and specified affiliated company prescribed under Article 12, Item 3 of the “Cabinet Office Order on Disclosure of Information on Regulated Securities” (Ministry of Finance Order No. 22 of 1993) of the Asset Management Company. In addition, entities listed below (including 76KK) has

become specified affiliated companies of the Asset Management Company. On the other hand, Mitsubishi Corporation is no longer the parent company and specified affiliated company of the Asset Management Company, and UBS Asset Management AG is no longer the major shareholder of the Asset Management Company.

Name	Overview
76KK	Direct parent company of the Asset Management Company
KKR Asia LLC	Indirect parent company of the Asset Management Company (Wholly Owing Parent Company of 76KK)
Kohlberg Kravis Roberts & Co. L.P.	Indirect parent company of the Asset Management Company (Wholly Owing Parent Company of KKR Asia LLC)
KKR & Co. GP LLC	Indirect parent company of the Asset Management Company (Note)
KKR Holdco LLC	Indirect parent company of the Asset Management Company (Wholly Owing Parent Company of KKR & Co. GP LLC)
KKR Group Partnership L.P.	Indirect parent company of the Asset Management Company (Wholly Owing Parent Company of KKR Holdco LLC)
KKR Group Holdings Corp.	Indirect parent company of the Asset Management Company (A parent company of KKR Group Partnership L.P.)
KKR & Co. Inc.	Indirect parent company of the Asset Management Company (Wholly Owing Parent Company of KKR Group Holdings Corp.)

Note: KKR & Co. GP LLC has become a parent company of the Asset Management Company as it is the general partner of Kohlberg Kravis Roberts & Co. L.P.

### ***Disposition of properties***

JMF entered into a sale agreement for the following property on November 30, 2021.

Property name: G-Bldg. Ginza 01 (40% of quasi-co-ownership in trust beneficiary interest)  
Disposition amount: Not disclosed<sup>(i)</sup>  
Completion date of contract: November 30, 2021  
Disposition date: September 1, 2022  
Purchaser: Hulic Co., Ltd.

#### Notes:

- (i) The breakdown of the disposition amount is not disclosed because the consent from the purchaser has not been obtained. On November 30, 2021, JMF signed disposition contract for properties (G-Bldg. Ginza 01, G-Bldg. Shinjuku 01 and Summit Store Nakano Minamidai) for ¥20,820 million in total. G-Bldg. Ginza 01 (30% quasi-co-ownership of which) and G-Bldg. Shinjuku 01 were transferred to the purchaser by the end of the fiscal period.
- (ii) Gains on sales of property of approximately ¥1,355 million will be recognized in profit as operating revenues for the six months ending February 28, 2023.

## Outline of JMF

### 1. Investment unit

Fiscal period	36th	37th	38th	39th	40th
As of	February 29, 2020	August 31, 2020	February 28, 2021	August 31, 2021	February 28, 2022
Number of investment units authorized (Units)	8,000,000	8,000,000	8,000,000	16,000,000	16,000,000
Number of investment units issued and outstanding (Units)	2,618,017	2,602,483	2,602,483	6,989,091	6,989,091
Number of unitholders (People)	16,355	22,856	22,240	30,692	31,233

### 2. Unitholders

Major unitholders as of February 28, 2022 were as follows:

Name	Address	Number of investment units owned (Units)	Ratio of number of investment units owned to total number of investment units issued (Note) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo	1,313,450	18.79
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	1,081,081	15.46
The Nomura Trust and Banking Co., Ltd. (Investment Trust)	2-2, Otemachi 2-chome, Chiyoda-ku, Tokyo	324,840	4.64
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	205,131	2.93
STATE STREET BANK WEST CLIENT - TREATY 505234	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A.	141,583	2.02
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	119,970	1.71
SSBTC CLIENT OMNIBUS ACCOUNT	ONE LINCOLN STREET, BOSTON MA USA 02111	114,158	1.63
Mizuho Securities Co., Ltd.	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	113,834	1.62
SMBC Nikko Securities Inc.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	107,040	1.53
Japan Securities Finance Co., Ltd.	2-10, Nihonbashi-Kayabacho 1-chome, Chuo-ku, Tokyo	96,760	1.38
Total		3,617,847	51.76

Note Ratio of number of investment units owned to total number of investment units issued is calculated by rounding down to the second decimal place.

### 3. Officers

#### (1) Directors and independent auditor

(Thousands of yen)

Post	Name	Major additional post	Compensation or fees for the six months ended February 28, 2022 (Note2)
Executive Director	Shuichi Namba (Note 3)	-	1,263
	Masahiko Nishida (Note 4)	President of Marks group Co., Ltd. Certified public accountant / Tax accountant	1,263
Supervisory Director	Masahiko Nishida (Note 4)	President of Marks group Co., Ltd. Certified public accountant / Tax accountant	813
	Masaharu Usuki	Professor at Graduate School of Economics of Nagoya City University	1,627
	Osamu Ito (Note 5)	Partner of United Fuso Law Office, Attorney	813
Independent auditor	PricewaterhouseCoopers Aarata LLC	-	30,500

Note 1 There is no investment unit of JMF held by the Executive Director nor the Supervisory Directors in their own name or that of others. Although Supervisory Directors may have additional posts in other companies than those listed above, there is no conflict of interests between those companies including listed above and JMF.

Note 2 Compensation for Directors indicates actual payments, and the independent auditor's fees consist of estimated audit fees on an accrual basis and ¥5,500 thousand of fees for English financial statement audit and issuance of a comfort letter with respect to issuance of investment corporation bonds in December 2021.

Note 3 Shuichi Namba resigned executive director on November 26, 2021.

Note 4 Masahiko Nishida resigned supervisory director on November 26, 2021 and was newly appointed as executive director by the 14th General Meeting of Unitholders held on November 26, 2021.

Note 5 The supervisory director was newly appointed by the 14th General Meeting of Unitholders held on November 26, 2021.

#### (2) Policy for dismissal or refusal of reappointment of independent auditor

If necessary, the Board of Directors shall dismiss the independent auditor in accordance with the Act on Investment Trusts and Investment Corporation of Japan. The Board of Directors shall also decide reappointment of the independent auditor considering audit quality, fees or other various factors.

#### (3) Matters concerning compensation agreement between directors, etc. and investment corporation

None

### 4. Directors and officers liability insurance agreement

Outline of the Directors and officers liability insurance agreement entered into by JMF is as follows:

Scope of the insureds	Outline of agreement
All Executive Directors and Supervisory Directors	<p>(Outline of insured event to be covered) The agreement covers compensation for damages and court costs, etc. incurred by the insured as an officer of JMF to a certain extent.</p> <p>(Percentage of insurance premiums to be paid) JMF pays all of the insurance premiums.</p> <p>(Measures to ensure that the appropriateness of the execution of duties) The agreement does not cover damages incurred by the insured due to criminal act or acts executed with knowledge that they violate laws and regulations.</p>

## 5. Name of asset manager and other administrator

Classification	Name
Asset manager	KJR Management
Custodian	Mitsubishi UFJ Trust and Banking Corporation
Agency for unit investment securities transference and special account administrator	Mitsubishi UFJ Trust and Banking Corporation
General administrator (regarding book keeping)	Mitsubishi UFJ Trust and Banking Corporation
General administrator (regarding investment corporation bonds)	MUFG Bank, Ltd. Mizuho Bank, Ltd.
General administrator (regarding income and other taxes)	PwC Tax Japan

## Condition of investment assets

### 1. Composition of assets

Classification of Assets	Region		As of August 31, 2021		As of February 28, 2022	
			Total of net book value (Note 1) (Millions of yen)	Composition ratio (%)	Total of net book value (Note 1) (Millions of yen)	Composition ratio (%)
Real property	Retail facilities	Tokyo metropolitan area	13,522	1.1	13,507	1.1
		Osaka and Nagoya metropolitan areas	6,886	0.5	6,880	0.6
		Other areas	4,440	0.4	4,432	0.4
		Sub-total	24,848	2.0	24,820	2.0
	Mixed-use	Tokyo metropolitan area	5,336	0.4	5,318	0.4
		Sub-total	5,336	0.4	5,318	0.4
	Total of real property		30,185	2.4	30,138	2.4
Trust beneficial interest in real property	Retail facilities	Tokyo metropolitan area	342,152	27.7	323,163	25.9
		Osaka and Nagoya metropolitan areas	312,009	25.2	307,183	24.6
		Other areas	76,580	6.2	70,973	5.7
		Sub-total	730,742	59.1	701,320	56.2
	Office Building	Tokyo metropolitan area	157,109	12.7	201,274	16.1
		Osaka and Nagoya metropolitan areas	20,986	1.7	20,921	1.7
		Other areas	6,795	0.6	6,802	0.5
		Sub-total	184,892	15.0	228,998	18.4
	Residence	Other areas	-	-	1,715	0.1
		Sub-total	-	-	1,715	0.1
	Hotel	Tokyo metropolitan area	7,979	0.6	7,959	0.6
		Other areas	4,425	0.4	4,410	0.4
		Sub-total	12,404	1.0	12,369	1.0
	Mixed-use	Tokyo metropolitan area	86,315	7.0	101,402	8.1
		Osaka and Nagoya metropolitan areas	75,275	6.1	75,382	6.0
		Other areas	-	-	4,960	0.4
		Sub-total	161,591	13.1	181,746	14.6
	Total of trust beneficial interest in real property		1,089,630	88.2	1,126,151	90.3
	Sub-total		1,119,816	90.6	1,156,289	92.7
	Investment securities (Note 2)		10,611	0.9	13,115	1.1
Bank deposits and other assets		105,292	8.5	78,034	6.3	
Total assets		1,235,720	100.0	1,247,439	100.0	

Note 1 Total of net book value is carrying amounts on the balance sheets (amounts of Real property and Trust beneficial interest in real property are book values net of depreciation) at the end of the fiscal period.

Note 2 Investment securities are equity interest of Tokumei Kumiai agreement managed by R40 Godo Kaisha (40% of its equity interest), investment units of Nishin Private Residential Reit, Inc.(17.1% of total issued investment units) and equity interest of DREAM Mezzanine Debt Separate3 Investment Limited Partnership (49.4% of its equity interest).

## 2. Major property

The principal properties (top ten properties in net book value) as of February 28, 2022 were as follows:

Name of property		Net book value	Leasable area	Leased area	Occupancy ratio	Ratio of rent revenue to total rent revenues	Major use
		(Millions of yen)	(Note 1) (m <sup>2</sup> )	(Note 2) (m <sup>2</sup> )	(Note 3) (%)	(Note 3) (%)	
Twin 21 (Note 6)	(trust beneficial interest)	60,144	82,295.71	79,768.67	96.9	6.2	Mixed-use
mozo wonder city (Note 4)	(trust beneficial interest)	50,246	86,526.78	79,584.33	92.0	8.3	Retail facilities
JMF-Bldg. Akasaka 02 (Note 6)	(trust beneficial interest)	44,030	12,202.96	9,094.12	74.5	0.9	Office Building
Higashi-Totsuka Aurora City	(trust beneficial interest)	43,501	109,355.90	109,355.90	100.0	3.3	Retail facilities
KAWASAKI Le FRONT	(trust beneficial interest)	34,297	49,223.77	49,223.77	100.0	4.9	Mixed-use
Nara Family (Note 4)	(trust beneficial interest)	33,539	82,927.88	82,121.19	99.0	4.7	Retail facilities
G-Bldg. Shinsaibashi 03	(trust beneficial interest)	30,182	5,319.29	242.39	4.6	Note 5	Retail facilities
AEON MALL Tsudanuma	(trust beneficial interest)	28,433	101,210.44	101,210.44	100.0	1.9	Retail facilities
AEON MALL Musashi Murayama	(trust beneficial interest)	24,042	137,466.97	137,466.97	100.0	2.4	Retail facilities
JMF-Bldg. Yokohama Bashamichi 01 (Note 6)	(trust beneficial interest)	23,962	25,140.94	25,140.94	100.0	1.8	Office Building
<b>Total</b>		<b>372,381</b>	<b>691,670.64</b>	<b>673,208.72</b>	<b>97.3</b>	<b>-</b>	

Note 1 Regardless the share of co-ownership or quasi-co-ownership, "Leasable area" means the total area of the building or land with leasehold interest of each property leasable as stores, offices, etc. indicated in the lease agreement or the plan of such property and it does not include the leasable area of warehouses and land (flat parking lots).

Note 2 Regardless the share of co-ownership or quasi-co-ownership, "Leased area" means the total leased area of the building or land with leasehold interest of each property used as stores, offices, etc. indicated in the lease agreement and it does not include the leased area of warehouses and land (flat parking lots).

Note 3 "Occupancy ratio" (percentage of leased area against the leasable area at the end of accounting period) and "Ratio of rent revenue to total rent revenues" are calculated by rounding to the nearest first decimal place.

Note 4 "Leasable area" and "Leased area" for the property which is leased partially in the form of a pass-through master lease is presented on an end-tenant basis.

Note 5 "Ratio of rent revenue to total rent revenues" of the property is not disclosed because the consent from the tenant has not been obtained.

Note 6 "Leasable area" and "Occupancy ratio" for the property which is leased in the form of a pass-through master lease is presented on an end-tenant basis.

### 3. Details of property

Retail properties, office buildings, residences, hotels and mixed-use properties as of February 28, 2022 were as follows:

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m <sup>2</sup> )	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
10001	Abiko Shopping Plaza	11-1, Abiko 4-chome, Abiko-shi, Chiba	Trust beneficial interest	41,453.36	12,900	9,424
10002	G-Bldg. Minami Aoyama 02	8-5, Minami Aoyama 5-chome, Minato-ku, Tokyo	Trust beneficial interest	1,529.15	5,190	5,171
10003	Ito-Yokado Yabashira	15-8, Higurashi 1-chome, Matsudo-shi, Chiba, etc.	Trust beneficial interest	21,308.78	1,880	1,233
10004	G-Bldg. Daikanyama 01	35-17, Ebisu-Nishi 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	599.79	1,590	1,186
10005	GYRE	10-1, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	4,824.67	28,100	21,866
10006	Ito-Yokado Tsunashima	8-1, Tsunashima-Nishi 2-chome, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	16,549.50	5,160	4,418
10007	Bic Camera Tachikawa	12-2, Akebonocho 2-chome, Tachikawa-shi, Tokyo, etc.	Trust beneficial interest	20,983.43	22,700	13,271
10008	AEON Itabashi Shopping Center	6-1, Tokumaru 2-chome, Itabashi-ku, Tokyo	Trust beneficial interest	72,748.34	12,900	10,345
10009	G-Bldg. Kita Aoyama 01	14-8, Kita-Aoyama 3-chome, Minato-ku, Tokyo	Trust beneficial interest	492.69	1,640	911
10011	SEIYU Hibiugaoka	9-8, Sumiyoshicho 3-chome, Nishi-Tokyo-shi, Tokyo	Trust beneficial interest	19,070.88	8,400	4,417
10012	JMF-Bldg. Jiyugaoka 01	9-17, Jiyugaoka 2-chome, Meguro-ku, Tokyo, etc.	Trust beneficial interest	2,043.68	5,090	2,706
10013	Cheers Ginza	9-5, Ginza 5-chome, Chuo-ku, Tokyo	Trust beneficial interest	1,686.58	4,320	3,857
10014	Higashi-Totsuka Aurora City	537-1, Shinanocho, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	109,355.90	43,400	43,501
10016	G-Bldg. Jingumae 06	28-3, Jingumae 6-chome, Shibuya-ku, Tokyo	Real property	670.42	2,960	2,332
10017	G-Bldg. Jingumae 01	21-5, Jingumae 4-chome, Shibuya-ku, Tokyo	Real property	555.75	4,610	3,369
10018	G-Bldg. Jingumae 02	9-9, Jingumae 4-chome, Shibuya-ku, Tokyo	Trust beneficial interest	426.29	1,720	2,256
10020	AEON MALL Musashi Murayama	1-3, Enoki 1-chome, Musashimurayama-shi, Tokyo	Trust beneficial interest	137,466.97	31,200	24,042
10021	La Porte Aoyama (Note 5)	51-8, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	4,158.53	10,900	9,143
10023	JMF-Bldg. Jingumae 01	30-12, Jingumae 3-chome, Shibuya-ku, Tokyo	Real property	1,676.87	4,010	5,318
10024	G-Bldg. Minami-Ikebukuro 01 (Note 5)	19-5, Minami Ikebukuro 1-chome, Toshima-ku, Tokyo	Trust beneficial interest	5,066.06	8,440	5,907
10025	Makuhari Plaza	7701, Makuharicho 2-chome, Hanamigawa-ku, Chiba-shi, Chiba	Trust beneficial interest	24,505.37	6,830	5,307
10026	Urban Terrace Jingumae	47-6, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,719.19	5,250	2,666
10027	Round1 Machida	13-14, Morino 1-chome, Machida-shi, Tokyo	Trust beneficial interest	6,801.89	3,400	2,252
10028	Round1 Stadium Itabashi	16-13, Aioicho, Itabashi-ku, Tokyo	Trust beneficial interest	14,828.74	3,390	2,100
10029	Arkangel Daikanyama (Land with leasehold interest)	111-14, Aobadai 1-chome, Meguro-ku, Tokyo, etc.	Trust beneficial interest	904.04	1,630	1,012
10030	G-Bldg. Omotesando 01	1-9, Jingumae 6-chome, Shibuya-ku, Tokyo	Real property	1,508.03	8,610	5,775

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m <sup>2</sup> )	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
10031	Round1 Yokohama Station West	8-16, Minamisaiwai 2-chome, Nishi-ku Yokohama-shi, Kanagawa	Trust beneficial interest	6,560.09	5,500	3,701
10032	G-Bldg. Sangenjaya 01	15-4, Taishido 2-chome, Setagaya-ku, Tokyo	Trust beneficial interest	3,471.52	6,450	3,628
10033	G-Bldg. Ginza 01	5-1, Ginza 6-chome, Chuo-ku, Tokyo	Trust beneficial interest	1,610.54	6,300	3,870
10034	Summit Store Nakano Minamidai	26-2, Minamidai 5-chome, Nakano-ku, Tokyo	Trust beneficial interest	3,536.50	3,940	2,998
10035	Colline Bajikouen	4-18, Kamiyoga 2-chome, Setagaya-ku, Tokyo	Trust beneficial interest	5,368.02	4,260	3,196
10036	KAWASAKI Le FRONT	1-11, Nissincho, Kawasaki-ku, Kawasaki-shi, Kanagawa, etc.	Trust beneficial interest	49,223.77	41,200	34,297
10037	JMF-Bldg. Shibuya 01	20-13, Jinnan1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,630.03	4,920	3,074
10038	G-Bldg. Omotesando 02	25-15, Jingumae 4-chome, Shibuya-ku, Tokyo, etc.	Trust beneficial interest	5,555.65	22,000	17,762
10039	G-Bldg. Kichijoji 01	12-12, Kichijoji Honcho 2-chome, Musashino-shi, Tokyo	Trust beneficial interest	1,718.21	4,040	3,530
10040	CUTE CUBE HARAJUKU	7-1, Jingumae 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,428.55	10,400	8,458
10041	G-Bldg. Ueno 01	9-14, Ueno 4-chome, Taito-ku, Tokyo	Trust beneficial interest	1,471.80	3,870	3,416
10042	JMF-Bldg. Takadanobaba 01	13-2, Takadanobaba 2-chome, Shinjuku-ku, Tokyo	Trust beneficial interest	3,569.20	7,290	6,023
10043	G-Bldg. Akihabara 01	11-11, Sotokanda 1-chome, Chiyoda-ku, Tokyo	Trust beneficial interest	2,701.99	7,790	5,090
10044	G-Bldg. Akihabara 02	113, Kanda Matsunaga-cho, Chiyoda-ku, Tokyo, etc.	Trust beneficial interest	1,037.33	2,980	2,468
10045	G-Bldg. Kichijoji 02	3-13, Kichijoji Minamicho 2-chome, Musashino-shi, Tokyo	Trust beneficial interest	8,838.79	17,000	15,065
10046	JMF-Bldg. Ginza Chuo-Dori 01	6-16, Ginza 2-chome, Chuo-ku, Tokyo	Trust beneficial interest	3,141.07	13,300	12,966
10047	MARINE & WALK YOKOHAMA	3-1, Shinko 1-chome, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	8,347.70	10,800	10,703
10048	G-Bldg. Jingumae 07	26-4 Jingumae 4-chome, Shibuya-ku, Tokyo	Real property	373.12	2,130	2,029
10049	G-Bldg. Minami Aoyama 03 (Note 5)	2-12, Minami Aoyama 5-chome, Minato-ku, Tokyo, etc.	Trust beneficial interest	1,373.46	12,100	12,287
10050	JMF-Bldg. Jingumae 02	25-5 Jingumae 3-chome, Shibuya-ku, Tokyo	Trust beneficial interest	802.40	2,280	2,628
10051	Round1 Stadium Kawasaki Daishi	5-1, Tonomachi 1-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficial interest	13,559.17	2,920	2,382
10052	m-city Kashiwa	10 Oyamadai 1-chome, kashiwa-shi, Chiba, etc.	Trust beneficial interest	20,437.36	6,000	5,714
10053	G-Bldg. Jingumae 09	25-28 Jingumae 4-chome, Shibuya-ku, Tokyo, etc.	Trust beneficial interest	1,127.08	7,340	7,092
10054	Machinoma Omori	1-38, Omorinishi 3-chome, Ota-ku, Tokyo	Trust beneficial interest	9,107.14	9,510	9,064
10055	JMF-Bldg. Daikanyama 01	20-20, Daikanyamacho, Shibuya-ku, Tokyo	Trust beneficial interest	2,151.31	3,970	3,247
10056	AEON MALL Tsudanuma	23-1 Tsudanuma 1-chome, Narashino-shi, Chiba	Trust beneficial interest	101,210.44	28,500	28,433
10057	JMF-Bldg. Yokohama Bashamichi 01 (Note 5)	50-1, Honmachi 6-chome, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	25,140.94	24,300	23,962
10058	JMF-Bldg. Kawasaki 01 (Note 5)	1-14 Nisshin-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficial interest	24,485.71	23,700	23,686
10059	JMF-Bldg. Shibuya 02 (Note 5)	31-15, Sakuragaokacho, Shibuya-ku, Tokyo	Trust beneficial interest	6,379.66	18,900	19,560

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m <sup>2</sup> )	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
10060	JMF-Bldg. Shibuya 03 (Note 5)	11-1 Dogenzaka 2-chome, Shibuya-ku, Tokyo	Trust beneficial interest	5,048.36	17,100	16,962
10061	JMF-Bldg. Toyochō 01 (Note 5)	11-38 Toyo 4-chome, Koto-ku, Tokyo	Trust beneficial interest	12,487.73	10,600	11,290
10062	OMO3 Tokyo Akasaka (Notes 5 and 8)	3-2, Akasaka 4-chome, Minato-ku, Tokyo	Trust beneficial interest	4,236.46	8,010	7,959
10063	JMF-Bldg. Nihombashi Hamacho 01 (Note 5)	12-4, Nihombashi Hamacho 2-chome, Chuo-ku, Tokyo	Trust beneficial interest	6,123.81	10,400	10,391
10064	JMF-Bldg. Toyochō 02 (Note 5)	6-35, Shinsuna 1-chome, Koto-ku, Tokyo	Trust beneficial interest	11,863.87	8,020	9,661
10065	JMF-Bldg. Sasazuka 01 (Note 5)	1-6 Sasazuka 2-chome, Shibuya-ku, Tokyo	Trust beneficial interest	8,240.30	9,240	9,116
10066	JMF-Bldg. Ueno 01 (Note 5)	24-8, Higashiueno 5-chome, Taito-ku, Tokyo	Trust beneficial interest	6,858.16	8,710	8,636
10067	JMF-Bldg. Yokohama 01 (Note 5)	5-1 Sakae-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	12,721.25	8,320	8,231
10068	JMF-Bldg. Akasaka 01 (Note 5)	11-28, Akasaka 1-chome, Minato-ku, Tokyo	Trust beneficial interest	2,544.21	4,740	4,495
10069	JMF-Bldg. Kanda01 (Note 5)	1-15, Iwamotocho 2-chome, Chiyoda-ku, Tokyo	Trust beneficial interest	3,149.39	4,250	4,305
10070	JMF-Bldg. Edogawabashi 01 (Note 5)	44-10, Sekiguchi 1-chome, Bunkyo-ku, Tokyo	Trust beneficial interest	3,434.93	3,640	3,735
10071	JMF-Bldg. Higashi Nihombashi 01 (Note 5)	8-3 Higashi-Nihombashi 2-chome, Chuo-ku, Tokyo	Trust beneficial interest	3,254.77	3,360	3,207
10072	JMF-Bldg. Ichigaya 01 (Note 6)	2-1 Kudankita 4-chome, Chiyoda-ku, Tokyo	Trust beneficial interest	10,372.26	22,100	21,198
10073	JMF-Bldg. Hiroo 01 (Note 6)	1-11 Minamiazabu 5-chome, Minato-ku, Tokyo	Trust beneficial interest	4,212.41	10,200	10,095
10074	JMF-Bldg. Funabashi 01	44-35 Honcho 4-chome, Funabashi-shi, Chiba	Trust beneficial interest	2,865.76	5,420	5,164
10075	JMF-Bldg. Akasaka 02 (Note 5)	3-5 Akasaka 2-chome, Minato-ku, Tokyo	Trust beneficial interest	12,202.96	45,000	44,030
20002	Kyoto Family	1-1, Ikejiricho, Yamanouchi, Ukyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	19,639.09	5,410	5,778
20003	Kawaramachi OPA	385, Komeyacho, Shijo-agaru, Kawaramachi-dori, Nakagyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	18,848.20	14,400	17,818
20004	AEON MALL Tsurumi Ryokuchi	17-1, Tsurumi 4-chome, Tsurumi-ku, Osaka-shi, Osaka	Trust beneficial interest	138,538.63	26,700	22,473
20005	AEON MALL Itami	1-1, Fujinoki 1-chome, Itami-shi, Hyogo	Trust beneficial interest	157,904.26	18,800	18,157
20006	Ario Otori	199-12, Otori Minami-cho 3-cho, Nishi-ku, Sakai-shi, Osaka, etc.	Trust beneficial interest	95,135.36	14,200	13,509
20007	AEON MALL Kobe Kita	1-1, Kouzudai 8-chome, Kita-ku, Kobe-shi, Hyogo	Trust beneficial interest	128,050.62	12,110	8,135
20008	LIFE Kishibe (Land with leasehold interest)	2205-15, Hara-cho 4-chome, Suita-shi, Osaka, etc.	Real property	5,516.61	1,930	1,942
20009	LIFE Shimodera (Land with leasehold interest)	5-23, Shimodera 2-chome, Naniwa-ku, Osaka-shi, Osaka, etc.	Real property	4,344.18	2,060	1,717
20010	LIFE Taiheiji (Land with leasehold interest)	43-6, Taiheiji 2-chome, Higashi Osaka-shi, Osaka	Real property	3,898.01	1,170	1,304
20011	G-Bldg. Shinsaibashi 01	5-3, Sinsaibashi-suji 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	966.52	3,270	1,586
20012	Round1 Stadium Sennichimae (Land with leasehold interest)	1, Namba 1-chome, Chuo-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	1,711.63	11,700	8,091
20013	G-Bldg. Shinsaibashi 02	3-24, Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	948.72	8,180	4,235
20014	Izumisano Shofudai (Land with leasehold interest)	1138-1, Shofudai 1-chome, Izumisano-shi, Osaka	Trust beneficial interest	44,009.52	2,620	2,657

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m <sup>2</sup> )	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
20015	Round1 Stadium Sakai Chuo Kanjyo	241, Ishihara-cho 2-cho, Higashi-ku Sakai-shi, Osaka	Trust beneficial interest	17,521.46	2,520	1,556
20016	pivo Izumi Chuo	1-2, Ibukino 5-chome, Izumi-shi, Osaka, etc.	Trust beneficial interest	21,182.94	6,710	5,120
20017	KAMISHIN PLAZA	6-12, Osumi 1-chome, Higashiyodogawa-ku, Osaka-shi, Osaka	Trust beneficial interest	12,013.46	5,130	4,396
20018	Round1 Kyoto Kawaramachi	585, Uraderacho, Shijo-agaru yori Rokkaku-sagaru made, Teramachi-dori, Nakagyo-ku, Kyoto-shi, Kyoto, etc.	Trust beneficial interest	8,821.66	3,910	2,734
20019	G-Bldg. Shinsaibashi 03	2-14, Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	5,319.29	31,200	30,182
20020	Round1 Stadium Takatsuki	6-4, Zushi 3-chome, Takatsuki-shi, Osaka	Trust beneficial interest	19,767.64	2,990	1,909
20021	m-city Toyonaka	2-18, Hinode-cho, 2-chome, Toyonaka-shi, Osaka	Trust beneficial interest	33,301.93	6,540	5,128
20022	EDION Kyobashi (Land with leasehold interest)	53-1, Gamo 1-chome, Joto-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	4,307.16	5,970	5,756
20023	JMF-Bldg. Abeno 01	4-7, Abenosuji 1-chome, Abeno-ku, Osaka-shi, Osaka	Trust beneficial interest	4,757.35	5,240	4,553
20024	G-Bldg. Umeda 01	15-22, Chayamachi, Kita-ku, Osaka-shi, Osaka	Trust beneficial interest	3,529.51	10,000	9,719
20025	G-Bldg. Shinsaibashi 04	10-5, Minamisenba 3-chome, Chuo-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	1,610.63	3,120	3,305
20026	JMF-Bldg. Kyoto Kawaramachi 01	235, Yamazakicho 2-chome, Sanjo-sagaru, Kawaramachi-dori, Nakagyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	2,407.32	2,420	2,163
20027	G-Bldg. Midosuji 01	10-25, Minamisenba 3-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	2,446.00	9,200	10,591
20028	G-Bldg. Kobe Sannomiya 01	1-15 Kitanagasa-dori 3-chome, Chuo-ku, Kobe-shi, Hyogo	Trust beneficial interest	3,750.38	3,290	3,093
20029	Round1 Sannomiya Station	1-17 Onoe-dori 6-chome, Chuo-ku, Kobe-shi, Hyogo	Trust beneficial interest	10,054.52	3,330	3,173
20030	G-Bldg. Midosuji 02	8-18 Shinsaibashisuji 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	1,428.28	16,200	15,530
20031	Twin 21 (Note 5)	1-61 Shiromi 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	82,295.71	58,000	60,144
20032	JMF-Bldg. Kitahama 01 (Note 5)	6-7 Doshomachi 1-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	10,189.49	12,000	11,413
20033	JMF-Bldg. Osaka Fukushima 01 (Note 5)	15-26, Fukushima 7-chome, Fukushima-ku, Osaka-shi, Osaka	Trust beneficial interest	9,952.00	9,120	8,520
20034	JMF-Bldg. Higobashi 01 (Note 5)	5-16 Edobori 1-chome, Nishi-ku, Osaka-shi, Osaka	Trust beneficial interest	4,655.57	4,530	4,301
20035	Konami Sports Club Kyobashi	8-17 Higashinoda-machi 1-chome, Miyakojima-ku, Osaka-shi, Osaka	Trust beneficial interest	9,586.26	3,080	3,390
20036	JMF-Bldg. Imabashi 01 (Note 5)	3-16 Imabashi 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	4,277.63	2,710	2,599
20037	JMF-Bldg. Nishi Hommachi 01 (Note 5)	6-1 Awaza 1-chome, Nishi-ku, Osaka-shi, Osaka	Trust beneficial interest	3,846.91	2,770	2,607
20038	G-Bldg. Shinsaibashi 05	8-5 Shinsaibashi-suji 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	999.29	13,400	9,109
30001	AEON Yagoto	2-1, Ishizaka, Kojimachi-aza, Showa-ku, Nagoya-shi, Aichi	Trust beneficial interest	63,702.48	3,600	3,052
30002	mozo wonder city (Note 6)	40-1, Futakatacho, Nishi-ku, Nagoya-shi, Aichi, etc.	Trust beneficial interest	86,526.78	63,600	50,246
30003	G-Bldg. Nagoya Sakae 01	27-24, Sakae 3-chome, Naka-ku, Nagoya-shi, Aichi	Real property	794.02	1,340	1,915
30004	Valor Kachigawa (Land with leasehold interest)	1-1 Onocho 2-chome, Kasugai-shi, Aichi	Trust beneficial interest	20,509.10	3,245	3,205
90001	Nara Family (Note 6)	4-1, Saidaiji-higashimachi 2-chome, Nara-shi, Nara	Trust beneficial interest	82,927.88	37,900	33,539

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m <sup>2</sup> )	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
90002	AEON MALL Sapporo Naebo	1-1, Higashinaebo 2jo 3-chome, Higashi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	74,625.52	9,270	5,998
90003	AEON Naha Shopping Center	10-2, Kanagusuku 5-chome, Naha-shi, Okinawa	Trust beneficial interest	79,090.48	10,800	9,272
90004	Oyama Yuen Harvest Walk (Note 5)	1475-52, Aza-kaido-nishi, Oaza-Kizawa, Oyama-shi, Tochigi, etc.	Trust beneficial interest	59,535.09	9,980	7,738
90005	AEON MALL Sapporo Hassamu	1-1, Hassamu 8jo 12-chome, Nishi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	102,162.16	19,600	14,168
90006	MrMax Nagasaki	26-1, Iwami machi, Nagasaki-shi, Nagasaki, etc.	Trust beneficial interest	12,115.09	3,270	2,362
90007	Kaden sumairu kan YAMADA Fukuoka Shime Honten	2-1, Minamizato 5-chome, Shime-machi, Kasuyagun, Fukuoka	Trust beneficial interest	(Note 7)	5,570	3,464
90008	Round1 Hiroshima	3-11, Tatemachi, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	9,890.63	4,160	2,727
90009	DFS T GALLERIA OKINAWA	1-1, Omoromachi 4-chome, Naha-shi, Okinawa	Trust beneficial interest	42,088.14	17,200	14,540
90010	G-Bldg. Sendai Ichibancho 01	5-12, Ichibancho 3-chome, Aoba-ku, Sendai-shi, Miyagi	Real property	2,387.17	4,360	4,432
90011	G-Bldg. Naha-shintoshin 01	5-33, Omoromachi 2-chome, Naha-shi, Okinawa	Trust beneficial interest	(Note 7)	6,750	5,501
90012	G-Bldg. Tenjin Nishi-dori 01 (Note 5)	8-22, Tenjin 2-chome, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	2,667.42	4,720	4,960
90013	G-Bldg. Tenjin Nishi-dori 02	12-64, Daimyo 1-chome, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	1,496.56	5,570	5,197
90014	JMF-Bldg. Sendai 01 (Note 5)	10-3 Chuo 4-chome, Aoba-ku, Sendai-shi, Miyagi	Trust beneficial interest	13,076.72	6,920	6,802
90015	Dormy Inn Hakata Gion (Note 5)	1-12 Reisen-machi, Hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	5,554.91	4,440	4,410
90016	JMF-Residence Chihaya (Note 5)	4-25 Chihaya 5-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	10,290.99	1,860	1,715
Total				2,533,147.83	1,309,105	1,156,289

Note 1 JMF uses property number for investment properties. The same applies hereinafter.

Note 2 "Location" means the residence indication or the location indicated in the land registry book.

Note 3 Regardless the share of co-ownership or quasi-co-ownership, "Leasable area" means the total area of the building or land with leasehold interest of each property leasable as stores, offices, etc. indicated in the lease agreement or the plan of such property and it does not include the leasable area of warehouses and land (flat parking lots).

Note 4 "Appraisal value at end of period" shows the value appraised or researched by the real estate appraiser (CBRE K.K., Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute, Tanizawa Sōgō Appraisal Co., Ltd. and JLL Morii Valuation & Advisory K.K.) in accordance with the methods and standard of assets valuation as stipulated in the Articles of Incorporation of JMF as well as the regulations as stipulated by The Investment Trusts Association, Japan.

Note 5 "Leasable area" for a pass-through master leased property are presented on an end-tenant basis.

Note 6 "Leasable area" for the property which is leased partially in the form of a pass-through master lease is presented on an end-tenant basis.

Note 7 "Leasable area" of the property is not disclosed because the consent from the tenant has not been obtained.

Note 8 The names of these properties have changed as follows:

New name	Old name	Date of name changes
OMO3 Tokyo Akasaka	Hotel Vista Premio Tokyo	October 13, 2021

Operating results of retail properties, office buildings, residences, hotels and mixed-use properties for the six months ended August 31, 2021 and February 28, 2022 were as follows:

No.	Name of property	For the six months ended August 31, 2021				For the six months ended February 28, 2022			
		Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)
10001	Abiko Shopping Plaza	53	99.8	608	1.6	54	100.0	612	1.6
10002	G-Bldg. Minami Aoyama 02	4	100.0	95	0.3	3	90.9	82	0.2
10003	Ito-Yokado Yabashira	1	100.0	78	0.2	1	100.0	78	0.2
10004	G-Bldg. Daikanyama 01	1	100.0	39	0.1	1	100.0	38	0.1
10005	GYRE	15	100.0	596	1.6	15	100.0	609	1.6
10006	Ito-Yokado Tsunashima	1	100.0	168	0.4	1	100.0	168	0.4
10007	Bic Camera Tachikawa	2	100.0	627	1.7	2	100.0	628	1.7
10008	AEON Itabashi Shopping Center	1	100.0	705	1.9	1	100.0	693	1.8
10009	G-Bldg. Kita Aoyama 01	2	100.0	34	0.1	2	100.0	34	0.1
10010	AEON MALL Yamato (Note 3)	-	-	45	0.1	-	-	-	-
10011	SEIYU Hibarigaoka	1	100.0	249	0.7	1	100.0	249	0.7
10012	JMF-Bldg. Jiyugaoka 01	4	100.0	98	0.3	4	100.0	103	0.3
10013	Cheers Ginza	8	79.4	90	0.2	9	89.7	91	0.2
10014	Higashi-Totsuka Aurora City	5	100.0	1,259	3.3	5	100.0	1,260	3.3
10015	Ito-Yokado Yotsukaido (Note 4)	-	-	266	0.7	-	-	-	-
10016	G-Bldg. Jingumae 06	4	100.0	53	0.1	4	100.0	53	0.1
10017	G-Bldg. Jingumae 01	2	100.0	82	0.2	2	100.0	82	0.2
10018	G-Bldg. Jingumae 02	3	100.0	32	0.1	3	100.0	32	0.1
10019	G-Bldg. Minami Aoyama 01 (Note 5)	3	100.0	168	0.4	-	-	84	0.2
10020	AEON MALL Musashi Murayama	1	100.0	920	2.4	1	100.0	916	2.4
10021	La Porte Aoyama (Note 6)	24	100.0	245	0.6	24	100.0	272	0.7
10022	G-Bldg. Shinjuku 01 (Note 7)	1	100.0	169	0.4	-	-	89	0.2
10023	JMF-Bldg. Jingumae 01	8	100.0	82	0.2	7	86.3	77	0.2
10024	G-Bldg. Minami-Ikebukuro 01 (Note 6)	8	100.0	247	0.7	8	100.0	249	0.7
10025	Makuhari Plaza	5	100.0	211	0.6	5	100.0	210	0.6
10026	Urban Terrace Jingumae	2	100.0	103	0.3	2	100.0	104	0.3
10027	Round1 Machida	1	100.0	90	0.2	1	100.0	90	0.2
10028	Round1 Stadium Itabashi	1	100.0	95	0.3	1	100.0	95	0.3

No.	Name of property	For the six months ended August 31, 2021				For the six months ended February 28, 2022			
		Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)
10029	Arkangel Daikanyama (Land with leasehold interest)	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
10030	G-Bldg. Omotesando 01	1	100.0	131	0.3	1	100.0	135	0.4
10031	Round1 Yokohama Station West	1	100.0	114	0.3	1	100.0	114	0.3
10032	G-Bldg. Sangenjaya 01	3	100.0	171	0.5	3	100.0	174	0.5
10033	G-Bldg. Ginza 01 (Note 9)	6	100.0	199	0.5	6	100.0	169	0.4
10034	Summit Store Nakano Minamidai	1	100.0	84	0.2	1	100.0	84	0.2
10035	Colline Bajikouen	9	90.2	125	0.3	9	90.2	124	0.3
10036	KAWASAKI Le FRONT	66	99.1	1,820	4.8	66	100.0	1,845	4.9
10037	JMF-Bldg. Shibuya 01	2	100.0	74	0.2	2	100.0	81	0.2
10038	G-Bldg. Omotesando 02	6	100.0	382	1.0	5	91.9	383	1.0
10039	G-Bldg. Kichijoji 01	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
10040	CUTE CUBE HARAJUKU	10	100.0	187	0.5	10	100.0	195	0.5
10041	G-Bldg. Ueno 01	1	100.0	76	0.2	1	100.0	76	0.2
10042	JMF-Bldg. Takadanobaba 01	14	100.0	163	0.4	14	100.0	164	0.4
10043	G-Bldg. Akihabara 01	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
10044	G-Bldg. Akihabara 02	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
10045	G-Bldg. Kichijoji 02	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
10046	JMF-Bldg. Ginza Chuo-Dori 01	10	100.0	199	0.5	10	100.0	209	0.6
10047	MARINE & WALK YOKOHAMA	26	100.0	379	1.0	26	100.0	396	1.0
10048	G-Bldg. Jingumae 07	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
10049	G-Bldg. Minami Aoyama 03 (Note 6)	6	87.3	158	0.4	6	100.0	153	0.4
10050	JMF-Bldg. Jingumae 02	3	100.0	53	0.1	2	81.0	48	0.1
10051	Round1 Stadium Kawasaki Daishi	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
10052	m-city Kashiwa	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
10053	G-Bldg. Jingumae 09	6	90.2	106	0.3	4	58.0	101	0.3
10054	Machinoma Omori	35	100.0	365	1.0	36	100.0	366	1.0
10055	JMF-Bldg. Daikanyama 01	6	61.3	47	0.1	7	81.3	61	0.2
10056	AEON MALL Tsudanuma	1	100.0	726	1.9	1	100.0	726	1.9
10057	JMF-Bldg. Yokohama Bashamichi 01 (Note 6)	7	100.0	688	1.8	7	100.0	688	1.8

No.	Name of property	For the six months ended August 31, 2021				For the six months ended February 28, 2022			
		Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)
10058	JMF-Bldg. Kawasaki 01 (Note 6)	11	95.6	729	1.9	11	95.6	732	1.9
10059	JMF-Bldg. Shibuya 02 (Note 6)	3	89.9	345	0.9	3	89.9	343	0.9
10060	JMF-Bldg. Shibuya 03 (Note 6)	8	61.4	289	0.8	9	71.8	240	0.6
10061	JMF-Bldg. Toyocho 01 (Note 6)	10	100.0	344	0.9	10	100.0	340	0.9
10062	OMO3 Tokyo Akasaka (Note 6)	2	100.0	(Note 8)	(Note 8)	2	100.0	(Note 8)	(Note 8)
10063	JMF-Bldg. Nihombashi Hamacho 01 (Note 6)	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
10064	JMF-Bldg. Toyocho 02 (Note 6)	15	74.3	335	0.9	14	74.6	299	0.8
10065	JMF-Bldg. Sasazuka 01 (Note 6)	12	100.0	283	0.7	11	96.1	284	0.8
10066	JMF-Bldg. Ueno 01 (Note 6)	7	100.0	(Note 8)	(Note 8)	7	100.0	(Note 8)	(Note 8)
10067	JMF-Bldg. Yokohama 01 (Note 6)	47	94.5	366	1.0	49	94.5	365	1.0
10068	JMF-Bldg. Akasaka 01 (Note 6)	10	88.7	99	0.3	10	88.7	99	0.3
10069	JMF-Bldg. Kanda01 (Note 6)	8	100.0	114	0.3	8	100.0	116	0.3
10070	JMF-Bldg. Edogawabashi 01 (Note 6)	4	86.1	43	0.1	4	86.1	91	0.2
10071	JMF-Bldg. Higashi Nihombashi 01 (Note 6)	9	100.0	93	0.2	9	100.0	92	0.2
10072	JMF-Bldg. Ichigaya 01 (Notes 10 and 11)	27	81.3	298	0.8	26	80.8	359	1.0
10073	JMF-Bldg. Hiroo 01 (Notes 11 and 12)	-	-	-	-	34	96.8	120	0.3
10074	JMF-Bldg. Funabashi 01 (Note 13)	-	-	-	-	6	88.8	56	0.1
10075	JMF-Bldg. Akasaka 02 (Notes 6 and 14)	-	-	-	-	5	74.5	336	0.9
20001	AEON Takatsuki (Note 15)	-	-	18	0.0	-	-	-	-
20002	Kyoto Family	62	98.6	542	1.4	58	91.3	567	1.5
20003	Kawaramachi OPA	1	100.0	335	0.9	1	100.0	335	0.9
20004	AEON MALL Tsurumi Ryokuchi	1	100.0	891	2.3	1	100.0	891	2.4
20005	AEON MALL Itami	1	100.0	585	1.5	1	100.0	585	1.5
20006	Ario Otori	1	100.0	549	1.4	1	100.0	549	1.5
20007	AEON MALL Kobe Kita	1	100.0	410	1.1	1	100.0	401	1.1
20008	LIFE Kishibe (Land with leasehold interest)	1	100.0	68	0.2	1	100.0	68	0.2
20009	LIFE Shimodera (Land with leasehold interest)	1	100.0	56	0.2	1	100.0	56	0.2
20010	LIFE Taiheiji (Land with leasehold interest)	1	100.0	48	0.1	1	100.0	48	0.1
20011	G-Bldg. Shinsaibashi 01	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)

No.	Name of property	For the six months ended August 31, 2021				For the six months ended February 28, 2022			
		Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)
20012	Round1 Stadium Sennichimae (Land with leasehold interest)	1	100.0	240	0.6	1	100.0	240	0.6
20013	G-Bldg. Shinsaibashi 02	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
20014	Izumisano Shofudai (Land with leasehold interest)	2	100.0	(Note 8)	(Note 8)	2	100.0	(Note 8)	(Note 8)
20015	Round1 Stadium Sakai Chuo Kanjyo	1	100.0	82	0.2	1	100.0	82	0.2
20016	pivo Izumi Chuo	17	100.0	(Note 8)	(Note 8)	17	100.0	(Note 8)	(Note 8)
20017	KAMISHIN PLAZA	39	100.0	289	0.8	38	98.8	289	0.8
20018	Round1 Kyoto Kawaramachi	1	100.0	104	0.3	1	100.0	104	0.3
20019	G-Bldg. Shinsaibashi 03	4	100.0	(Note 8)	(Note 8)	2	4.6	(Note 8)	(Note 8)
20020	Round1 Stadium Takatsuki	1	100.0	91	0.2	1	100.0	91	0.2
20021	m-city Toyonaka	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
20022	EDION Kyobashi (Land with leasehold interest)	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
20023	JMF-Bldg. Abeno 01	10	100.0	157	0.4	10	100.0	155	0.4
20024	G-Bldg. Umeda 01	12	100.0	208	0.5	12	100.0	220	0.6
20025	G-Bldg. Shinsaibashi 04	5	100.0	81	0.2	5	100.0	82	0.2
20026	JMF-Bldg. Kyoto Kawaramachi 01	4	100.0	57	0.2	4	100.0	64	0.2
20027	G-Bldg. Midosuji 01	1	24.4	(Note 8)	(Note 8)	1	24.4	(Note 8)	(Note 8)
20028	G-Bldg. Kobe Sannomiya 01	5	100.0	(Note 8)	(Note 8)	5	100.0	(Note 8)	(Note 8)
20029	Round1 Sannomiya Station	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
20030	G-Bldg. Midosuji 02	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
20031	Twin 21 (Note 6)	106	96.8	2,354	6.2	105	96.9	2,349	6.2
20032	JMF-Bldg. Kitahama 01 (Note 6)	10	100.0	339	0.9	10	100.0	337	0.9
20033	JMF-Bldg. Osaka Fukushima 01 (Note 6)	25	90.8	250	0.7	25	90.8	253	0.7
20034	JMF-Bldg. Higobashi 01 (Note 6)	12	100.0	135	0.4	12	100.0	135	0.4
20035	Konami Sports Club Kyobashi	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
20036	JMF-Bldg. Imabashi 01 (Note 6)	19	93.9	103	0.3	18	91.4	101	0.3
20037	JMF-Bldg. Nishi Hommachi 01 (Note 6)	18	91.5	123	0.3	18	91.5	92	0.2
20038	G-Bldg. Shinsaibashi 05 (Note 16)	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
30001	AEON Yagoto	1	100.0	127	0.3	1	100.0	124	0.3
30002	mozo wonder city (Note 11)	217	99.8	3,016	7.9	174	92.0	3,126	8.3

No.	Name of property	For the six months ended August 31, 2021				For the six months ended February 28, 2022			
		Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rent and other operating revenues (Millions of yen)	Ratio of rent revenue to total rent revenues (Note 2) (%)
30003	G-Bldg. Nagoya Sakae 01	1	24.8	(Note 8)	(Note 8)	1	24.8	(Note 8)	(Note 8)
30004	Valor Kachigawa (Land with leasehold interest) (Note 17)	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
90001	Nara Family (Note 11)	109	99.1	1,744	4.6	108	99.0	1,794	4.7
90002	AEON MALL Sapporo Naebo	1	100.0	375	1.0	1	100.0	367	1.0
90003	AEON Naha Shopping Center	1	100.0	377	1.0	1	100.0	369	1.0
90004	Oyama Yuen Harvest Walk (Note 6)	68	99.4	768	2.0	69	99.7	779	2.1
90005	AEON MALL Sapporo Hassamu	1	100.0	583	1.5	1	100.0	570	1.5
90006	MrMax Nagasaki	2	100.0	(Note 8)	(Note 8)	2	100.0	(Note 8)	(Note 8)
90007	Kaden sumairu kan YAMADA Fukuoka Shime Honten	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
90008	Round1 Hiroshima	1	100.0	119	0.3	1	100.0	119	0.3
90009	DFS T GALLERIA OKINAWA	1	100.0	518	1.4	1	100.0	518	1.4
90010	G-Bldg. Sendai Ichibancho 01	1	100.0	96	0.3	1	100.0	86	0.2
90011	G-Bldg. Naha-shintoshin 01	2	100.0	(Note 8)	(Note 8)	2	100.0	(Note 8)	(Note 8)
90012	G-Bldg. Tenjin Nishi-dori 01 (Note 6)	7	88.9	108	0.3	7	88.9	111	0.3
90013	G-Bldg. Tenjin Nishi-dori 02	1	100.0	(Note 8)	(Note 8)	1	100.0	(Note 8)	(Note 8)
90014	JMF-Bldg. Sendai 01 (Note 6)	83	95.9	291	0.8	81	95.4	295	0.8
90015	Dormy Inn Hakata Gion (Note 6)	2	100.0	(Note 8)	(Note 8)	2	100.0	(Note 8)	(Note 8)
90016	JMF-Residence Chihaya (Notes 6 and 18)	-	-	-	-	146	98.6	9	0.0
Total		1,435	99.1	38,022	100.0	1,566	98.5	37,812	100.0

Note 1 "Number of tenants" is based upon the numbers of the lease agreements of the building or land with leasehold interest of each such property used as stores, offices, etc.

Note 2 "Occupancy ratio" (percentage of leased area against the leasable area at the end of accounting period) and "Ratio of rent revenue to total rent revenues" are calculated by rounding to the nearest first decimal place.

Note 3 JMF sold 50% quasi-co-ownership interest of the property on December 21, 2020 and remaining 50% on March 30, 2021.

Note 4 JMF sold the property on August 12, 2021.

Note 5 JMF sold the property on December 1, 2021.

Note 6 "Number of tenants" and "Occupancy ratio" for a pass-through master leased property are presented on an end-tenant basis.

Note 7 JMF sold the property on December 1, 2021.

Note 8 Rent revenue of the property is not disclosed because the consent from the tenant has not been obtained.

Note 9 JMF sold 30% quasi-co-ownership interest of the property on December 1, 2021 and 30% on March 1, 2022.

Note 10 JMF acquired the property on April 30, 2021.

Note 11 "Number of tenants" and "Occupancy ratio" for the properties which are leased partially in the form of a pass-through master lease are presented on an end-tenant basis.

Note 12 JMF acquired the property on October 29, 2021.

Note 13 JMF acquired the property on November 26, 2021.

Note 14 JMF acquired the property on December 1, 2021.

Note 15 JMF sold the property on March 10, 2021.

Note 16 JMF acquired the property on April 30, 2021.

Note 17 JMF sold 50% quasi-co-ownership interest of the property on January 31, 2022.

Note 18 JMF acquired 50% quasi-co-ownership interest of the property on January 31, 2022 and remaining 50% on March 31, 2022.

## 4. Details of investment securities

The details of investment securities as of February 28, 2022 were as follows:

(Thousand of yen)

Description of securities	Classification of assets	Quantity	Net book value		Fair value		Unrealized gains (or losses)	Remarks
			Per unit (Yen)	Amount	Per unit (Yen)	Amount		
Equity interest of Tokumei Kumiai agreement managed by R40 Godo Kaisha	Equity interest of Tokumei Kumiai agreement	-	-	8,651,999	-	8,651,999	-	Notes 1 and 4
Investment units of Nisshin Private Residential Reit, Inc.	Investment securities	3,120	1,179,624	3,680,426	1,179,624	3,680,426	-	Note 2
DREAM Mezzanine Debt Separate3 Investment Limited Partnership	Equity interest of investment limited partnership	-	-	782,726	-	782,726	-	Notes 3 and 4
<b>Total</b>	<b>—</b>	<b>-</b>	<b>-</b>	<b>13,115,153</b>	<b>-</b>	<b>13,115,153</b>	<b>-</b>	<b>-</b>

Note 1 The investment asset is trust beneficiary interest for the 33.9% co-ownership interest (and 29.5% right of site) of the sectional ownership of Nagoya Lucent Tower.

Note 2 The underlying assets are mainly trust beneficiary interests of Kawasaki Sakuramoto WEST and N-stage Matsudo, etc. The fair value is the quoted price provided by the asset management company.

Note 3 The investment assets is mezzanine loan backed by trust beneficiary rights in a residential property located in Tokyo as entrusted property.

Note 4 The fair values of these interests represent carrying amounts.

## 5. Details of specified transaction

The details of specified transaction as of February 28, 2022 were as follows:

(Millions of yen)

Classification	Transaction	Contract amount, etc. (Note 1)		Fair value (Note 2)
			Over 1 year	
Over-the-counter	Interest rate swaps (Floating-rate to fixed-rate interest)	102,000	71,300	53
<b>Total</b>		<b>102,000</b>	<b>71,300</b>	<b>53</b>

Note 1 Contract amount, etc. shows notional amounts.

Note 2 The fair value is measured at the amount calculated by the counter party to the interest rate swaps contracts based on the prevailing market interest rates and other assumptions.

Note 3 The interest rate swaps for which JMF had applied the special treatment provided under the Accounting Standard Board of Japan Statement No.10, "Accounting Standard for Financial Instruments" revised on July 4, 2019, are not required to be measured in the balance sheets.

## 6. Other assets

Real property and trust beneficial interests in real property are included in the above table "3. Details of property" and "4. Details of investment securities". There were no other significant specified assets as of February 28, 2022.

## Capital expenditures for property

### 1. Schedule of capital expenditures

The current significant plan for capital expenditures on property maintenance is set out below. The amounts of estimated cost shown in the below table are including expenses that will be charged to income.

(Millions of yen)

Name of property	Location	Purpose	Scheduled term for construction or maintenance	Estimated cost		
				Total	Advanced payment	
					Payment for the six months ended February 28, 2022	Total of advanced payment
For the six months ending August 31, 2022 (the 41st fiscal period from March 1, 2022 to August 31, 2022)						
mozo wonder city	Nishi-ku, Nagoya-shi, Aichi	Environment renovation	February, 2022 to August, 2022	430	30	41
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of hoisting equipment for elevator	April, 2022 to August, 2022	125	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of air conditioning system	March, 2022 to August, 2022	118	-	-
JMF-Bldg. Toyochō 01	Koto-ku, Tokyo	Repair of outer wall	March, 2022 to July, 2022	104	-	-
AEON MALL Tsudanuma	Narashino-shi, Chiba	Renewal of fire extinguisher pipe equipment at parking	March, 2022 to August, 2022	92	-	-
AEON MALL Tsurumi Ryokuchi	Tsurumi-ku, Osaka-shi, Osaka	Renewal of air conditioning system	April, 2022 to June, 2022	91	-	-
G-Bldg. Tenjin Nishi-dori 01	Chuo-ku, Fukuoka-shi, Fukuoka	Renewal of outer wall	January, 2022 to August, 2022	89	5	5
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of air conditioning system at standard floor	April, 2022 to August, 2022	85	-	-
AEON MALL Sapporo Hassamu	Nishi-ku, Sapporo-shi, Hokkaido	Renewal of air conditioning system	April, 2022 to July, 2022	71	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of central monitoring equipment	April, 2022 to August, 2022	64	-	-
Kawaramachi OPA	Nakagyo-ku, Kyoto-shi, Kyoto	Repair of rooftop and outer wall	April, 2022 to June, 2022	63	-	-
Bic Camera Tachikawa	Tachikawa-shi, Tokyo	Renewal of escalator drive at main building	July, 2022	62	-	-
KAMISHIN PLAZA	Higashiyodogawa-ku, Osaka-shi, Osaka	Construction for new tenants at B1 floor	May, 2022 to July, 2022	61	1	1
G-Bldg. Midosuji 01	Chuo-ku, Osaka-shi, Osaka	Conversion construction to office	February, 2022 to August, 2022	60	-	-
AEON MALL Itami	Itami-shi, Hyogo	Renewal of disaster prevention equipment	May, 2022 to August, 2022	58	-	-
KAWASAKI Le FRONT	Kawasaki-ku, Kawasaki-shi, Kanagawa	Renewal of AHU	September, 2021 to April, 2022	58	-	-
JMF-Bldg. Nihombashi Hamacho 01	Chuo-ku, Tokyo	Renewal of air conditioning system	May, 2022 to June, 2022	54	-	-
AEON MALL Itami	Itami-shi, Hyogo	Renewal of FCU	May, 2022 to August, 2022	50	-	-

(Millions of yen)

Name of property	Location	Purpose	Scheduled term for construction or maintenance	Estimated cost		
				Total	Advanced payment	
					Payment for the six months ended February 28, 2022	Total of advanced payment
For the six months ending February 28, 2023 (the 42nd fiscal period from September 1, 2022 to February 28, 2023)						
AEON MALL Musashi Murayama	Musashimurayama-shi, Tokyo	Renewal of disaster prevention monitoring equipment	July, 2022 to January, 2023	255	-	-
Bic Camera Tachikawa	Tachikawa-shi, Tokyo	Renewal of turbo refrigerator at main building	December, 2022 to January, 2023	234	-	-
JMF-Bldg. Toyochō 02	Koto-ku, Tokyo	Conversion construction to office	April, 2022 to October, 2022	161	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Construction for tenant leasing at M38F east area	September, 2022 to February, 2023	153	-	-
AEON MALL Musashi Murayama	Musashimurayama-shi, Tokyo	Renewal of PAC air conditioner	September, 2022 to January, 2023	122	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of hoisting equipment for elevator	September, 2022 to February, 2023	116	-	-
AEON MALL Musashi Murayama	Musashimurayama-shi, Tokyo	Painting of outer wall	October, 2022 to January, 2023	112	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of security system	July, 2022 to February, 2023	105	-	-
MrMax Nagasaki	Nagasaki-shi, Nagasaki	Waterproofing construction of rooftop at MrMax-building	November, 2022 to January, 2023	99	-	-
AEON MALL Tsudanuma	Narashino-shi, Chiba	Renewal of fire extinguisher pipe equipment at parking	May, 2022 to September, 2022	92	-	-
AEON MALL Tsurumi Ryokuchi	Tsurumi-ku, Osaka-shi, Osaka	Renewal of package air conditioner	November, 2022 to January, 2023	91	-	-
AEON MALL Tsurumi Ryokuchi	Tsurumi-ku, Osaka-shi, Osaka	Repair of outer wall	October, 2022 to February, 2023	91	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Repair of air conditioning system at circular hall	May, 2022 to September, 2022	91	-	-
JMF-Bldg. Toyochō 02	Koto-ku, Tokyo	Renewal of drain	August, 2022 to February, 2023	90	-	-
JMF-Residence Chihaya	Higashi-ku, Fukuoka-shi, Fukuoka	Repair of outer wall	June, 2022 to February, 2023	88	-	-
JMF-Bldg. Ichigaya 01	Chiyoda-ku, Tokyo	Renewal of air conditioning system	October, 2022 to February, 2023	81	-	-
JMF-Bldg. Sendai 01	Aoba-ku, Sendai-shi, Miyagi	Renewal of rest room and pantry	September, 2022 to February, 2023	81	-	-
AEON MALL Sapporo Hassamu	Nishi-ku, Sapporo-shi, Hokkaido	Repair of air conditioning system	August, 2022 to November, 2022	71	-	-
JMF-Bldg. Toyochō 01	Koto-ku, Tokyo	Changing parts of machine parking	September, 2022 to February, 2023	70	-	-
G-Bldg. Shinsaibashi 03	Chuo-ku, Osaka-shi, Osaka	Interior construction at 1st floor of A-Building	August, 2022 to December, 2022	69	-	-
AEON MALL Tsudanuma	Narashino-shi, Chiba	Renewal of automatic fire information alarm facilities	April, 2022 to September, 2022	68	-	-
JMF-Bldg. Nihombashi Hamacho 01	Chuo-ku, Tokyo	Renewal of air conditioning system at interior side	September, 2022 to January, 2023	58	-	-
KAWASAKI Le FRONT	Kawasaki-ku, Kawasaki-shi, Kanagawa	Renewal of elevator (Unit S5)	May, 2022 to February, 2023	57	-	-
KAWASAKI Le FRONT	Kawasaki-ku, Kawasaki-shi, Kanagawa	Renewal of elevator (Unit D1)	May, 2022 to February, 2023	56	-	-
Bic Camera Tachikawa	Tachikawa-shi, Tokyo	Renewal of escalator drive at main building	January, 2023	56	-	-
KAWASAKI Le FRONT	Kawasaki-ku, Kawasaki-shi, Kanagawa	Renewal of elevator (Unit D2)	May, 2022 to February, 2023	55	-	-

(Millions of yen)

Name of property	Location	Purpose	Scheduled term for construction or maintenance	Estimated cost		
				Total	Advanced payment	
					Payment for the six months ended 東戸塚オーロラシティ	Total of advanced payment
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of water receiving tank at P-tower	September, 2022 to February, 2023	53	-	-
Higashi-Totsuka Aurora City	Totsuka-ku, Yokohama-shi, Kanagawa	Renewal of P-MAC at Seibu-building	November, 2022 to January, 2023	51	-	-
AEON MALL Itami	Itami-shi, Hyogo	Renewal of FCU	October, 2022 to January, 2023	50	-	-
Kawaramachi OPA	Nakagyo-ku, Kyoto-shi, Kyoto	Repair of rooftop and outer wall	October, 2022 to December, 2022	50	-	-

## 2. Capital expenditures for the six months ended February 28, 2022

Maintenance expenditures on property for the six months ended February 28, 2022 were totaling to ¥3,474 million consisting of ¥2,901 million of capital expenditures stated as below and ¥572 million of repair and maintenance expenses charged to income.

(Millions of yen)

Name of property	Location	Purpose	Term for construction or maintenance	Capital expenditures
AEON MALL Tsudanuma	Narashino-shi, Chiba	Installment of fire shutter equipment	October, 2021 to February, 2022	261
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of hoisting equipment for elevator	September, 2021 to February, 2022	101
mozo wonder city	Nishi-ku, Nagoya-shi, Aichi	Installation of digital signages	September, 2021	87
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of central monitoring equipment	October, 2021 to February, 2022	86
KAWASAKI Le FRONT	Kawasaki-ku, Kawasaki-shi, Kanagawa	Renewal of AHU	April, 2021 to December, 2021	69
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of air conditioning system	September, 2021 to February, 2022	67
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of air conditioning system at standard floor	September, 2021 to February, 2022	64
GYRE	Shibuya-ku, Tokyo	Renewal construction of outer wall	September, 2021 to February, 2022	61
Abiko Shopping Plaza	Abiko-shi, Chiba	Refresh construction	October, 2021 to December, 2021	58
AEON MALL Musashi Murayama	Musashimurayama-shi, Tokyo	Exchange of storage battery charger	January, 2022 to February, 2022	50
Other	-	-	-	1,993
Total				2,901

### **3. Reserved funds for long-term maintenance plan**

JMF generally reserves funds to appropriate for future expenditures on large-scale maintenance based on a long-term maintenance plan, except for when depreciation for each fiscal period exceeds the following two items:

Item A:

Scheduled amounts to be reserved as funds for the long-term maintenance plan in each fiscal period

Item B:

Maintenance expenditures scheduled in the long-term maintenance plan in each fiscal period

There were no reserved funds for the last five fiscal periods.

## Condition of expenses and liabilities

### 1. Details of asset management expenses

(Thousands of yen)

Item	39th fiscal period	40th fiscal period
	For the six months ended August 31, 2021	For the six months ended February 28, 2022
Asset management fees (Note 1)	4,449,593	3,690,930
Custodian fees	30,530	32,877
General administration fees	132,113	149,045
Compensation for Directors	5,782	5,782
Other operating expenses (Note 2)	1,175,836	916,607
<b>Total</b>	<b>5,793,856</b>	<b>4,795,243</b>

Note 1 Asset management fees for the six months ended August 31, 2021 include merger fees amounting to ¥1,000,000 thousand. In addition to the above asset management fees, JMF paid the asset manager acquisition fees which were charged to income as costs of sale of property amounting to ¥117,325 thousand and ¥144,270 thousand for the six months ended August 31, 2021 and February 28, 2022, respectively, and those fees which were capitalized as property costs amounting to ¥239,480 thousand and ¥472,544 thousand for the six months ended August 31, 2021 and February 28, 2022, respectively.

Note 2 Other operating expenses include merger expenses amounting to ¥356,711 thousand for the six months ended August 31, 2021, and amortization of goodwill amounting to ¥401,230 thousand for the six months ended August 31, 2021 and February 28, 2022, respectively.

## Condition of investment transactions

### 1. Transactions of property and asset-backed securities

(Millions of yen)

Name of real property, etc.	Acquisition		Disposition			
	Date of acquisition	Acquisition cost (Note 1)	Date of disposition	Disposition amount (Note 1)	Net book value	Gain (loss) on disposition
JMF-Bldg. Hiroo 01	October 29, 2021	10,000	—	-	-	-
JMF-Bldg. Funabashi 01	November 26, 2021	5,000	—	-	-	-
JMF-Bldg. Akasaka 02	December 1, 2021	42,428	—	-	-	-
G-Bldg. Minami Aoyama 01 (Note 3)	-	-	December 1, 2021	24,045 (Note 2)	9,999	2,532
G-Bldg. Shinjuku 01 (Note 4)	-	-	December 1, 2021		6,488	
G-Bldg. Ginza 01 (30% quasi-co-ownership) (Note 5)	-	-	December 1, 2021		1,659	
Valor Kachigawa (Land with leasehold interest) (50% quasi-co-ownership) (Note 6)	-	-	January 31, 2022		3,205	
JMF-Residence Chihaya (50% quasi-co-ownership)	January 31, 2022	1,640	—	-	-	-
<b>Total</b>		<b>59,068</b>		<b>24,045</b>	<b>21,353</b>	<b>2,532</b>

Note 1 The acquisition cost or disposition amount indicates contracted amount of the property in the purchase agreement excluding related expenses (brokerage fee, taxes, etc.).

Note 2 The breakdown of the disposition amount is not disclosed because the consent from the purchaser has not been obtained.

Note 3 Gain (loss) on disposition of G-Bldg. Minami Aoyama 01 reflects other transfer expenses amounting to ¥64 million.

Note 4 Gain (loss) on disposition of G-Bldg. Shinjuku 01 reflects other transfer expenses amounting to ¥51 million.

Note 5 Gain (loss) on disposition of G-Bldg. Ginza 01 reflects other transfer expenses amounting to ¥20 million.

Note 6 Gain (loss) on disposition of Valor Kachigawa (Land with leasehold interest) reflects other transfer expenses amounting to ¥23 million.

### 2. Transactions of other assets

(Millions of yen)

Classification of assets	Purchase		Sale		Balance as of February 28, 2022	
	Quantity	Amount (Note 1)	Quantity	Amount (Note 1)	Quantity	Amount (Note 2)
Equity interest of investment limited partnership	-	780	-	-	-	781
Investment Securities	1,440	1,679	-	-	3,120	3,680
<b>Total</b>	<b>1,440</b>	<b>2,459</b>	<b>-</b>	<b>-</b>	<b>3,120</b>	<b>4,462</b>

Note 1 The purchase or sale amounts do not include related expenses (brokerage fee, etc.).

Note 2 The amount of balance as of February 28, 2022 represents carrying amounts in the balance sheets.

Note 3 Assets other than property or asset-backed securities are mainly bank deposits and bank deposits in trust.

### 3. Research for specified assets value

#### (1) Property (Appraisal value)

(Millions of yen)

Acquisition /Disposition	Name of property	Date of acquisition /disposition	Acquisition Cost /Disposition amount (Note 1)	Appraisal value	Name of appraiser	Date of appraisal
Acquisition	JMF-Bldg. Hiroo 01	October 29, 2021	10,000	10,200	CBRE K.K.	September 1, 2021
Acquisition	JMF-Bldg. Funabashi 01	November 26, 2021	5,000	5,420	Tanizawa Sōgō Appraisal Co., Ltd.	October 1, 2021
Acquisition	JMF-Bldg. Akasaka 02	December 1, 2021	42,428	44,200	Japan Real Estate Institute	November 1, 2021
Disposition	G-Bldg. Minami Aoyama 01	December 1, 2021	24,045 (Note 2)	9,440	Tanizawa Sōgō Appraisal Co., Ltd.	August 31, 2021
Disposition	G-Bldg. Shinjuku 01	December 1, 2021		7,810	Japan Real Estate Institute	August 31, 2021
Disposition	G-Bldg. Ginza 01	December 1, 2021		9,000	Japan Real Estate Institute	August 31, 2021
Disposition	Valor Kachigawa (Land with leasehold interest)	January 31, 2022		3,245 (Note 3)	Daiwa Real Estate Appraisal Co., Ltd.	August 31, 2021
Acquisition	JMF-Residence Chihaya	January 31, 2022	1,640	1,860 (Note 4)	Japan Real Estate Institute	December 1, 2021

Note 1 The acquisition cost or disposition amount indicates contracted amount of the property in the purchase agreement excluding related expenses (brokerage fee, taxes, etc.).

Note 2 The breakdown of the disposition amount is not disclosed because the consent from the purchaser has not been obtained.

Note 3 Appraisal value of Valor Kachigawa (Land with leasehold interest) is calculated by multiplying appraisal value of the property as of August 31, 2021 amounting to ¥6,490 million by 50% of co-ownership interest disposed on January 31, 2022.

Note 4 Appraisal value of JMF-Residence Chihaya is calculated by multiplying appraisal value of the property as of December 1, 2021 amounting to ¥3,720 million by 50% of co-ownership interest acquisition on January 31, 2022.

#### (2) Investment securities

(Millions of yen)

Purchase /Sale	Description of securities	Date of purchase /sale	Classification of assets	Purchase / sale amount (Note 1)	Researched value (Note 2)
Purchase	DREAM Mezzanine Debt Separate3 Investment Limited Partnership	September 29, 2021	Equity interest of investment limited partnership	780	780
Purchase	Nisshin Private Residential Reit, Inc.	January 7, 2022 January 13, 2022	Investment securities	1,679	1,679

Note 1 The purchase or sale amounts do not include related expenses (brokerage fee, etc.).

Note 2 JMF contracted Akasaka Audit LLC to perform investigations on transactions of investment securities for the six months ended February 28, 2022 pursuant to Article 201, Paragraph 2 of the Act on Investments Trusts and Investment Corporation of Japan and received its research report. For this purpose, investigation was performed with respect to comparative prices, type of transactions, date of transactions, description of securities, quantity, transaction prices, matters to identify assets in trust and other matters.

#### (3) Other transactions

None

#### 4. Transactions with interested parties or major shareholders (Note)

(1) Outline of specified assets transactions

No specified asset was acquired from or disposed to interested parties or major shareholders.

(2) Amounts of fees paid and other expenses

Classification	Total amount (A)	Transactions with interested parties or major shareholders		
		Name of counter party	Amount of payment (B)	(B) / (A)
Facility management fees	¥2,396,196 thousand	Mitsubishi HC Capital Inc.	¥443 thousand	0.0%
Other rental expenses	¥927,648 thousand	Mitsubishi Corporation Urban Development, Inc.	¥1,149 thousand	0.1%
		Mitsubishi Shoji & Sun Co., Ltd.	¥2,723 thousand	0.3%

Note "Interested parties or major shareholders" means the interested parties related with the asset management company of JMF or the major shareholders of the asset management company as prescribed under Article 26, Item 27 of the Regulations for Management Reports by Investment Trusts and Investment Corporations of the Investment Trusts Association, Japan.

#### 5. Transactions with asset manager relating to business other than asset management

None

## **Financial information**

### **1. Financial position and operating results**

Please refer to the accompanying financial statements.

### **2. Changes in depreciation method**

None

### **3. Changes in valuation method of real property**

None

## **Outline of overseas real estate investment corporations**

### **1. Disclosures relating to overseas real estate investment corporations**

None

### **2. Disclosures relating to property held by overseas real estate investment corporations**

None

## Other information

### 1. Investment units held by the asset manager

Investment units held by the asset manager (Mitsubishi Corp. - UBS Realty Inc.) were as follows:

#### (1) Transactions of investment units held by the asset manager

Date	Number of units increased (Units)	Number of units decreased (Units)	Number of units held (Units)
March 1, 2021	3,200	-	6,400
Accumulated number	6,400	-	6,400

Note JMF executed a two-for-one unit split effective on March 1, 2021.

#### (2) Number of investment units held by the asset manager

Date	Number of investment units held at end of period (Units)	Aggregated value of investment units held at end of period (Note) (Thousands of yen)	Ratio of number of investment units held to number of investment units issued and outstanding
The 31st fiscal period (March 1, 2017 to August 31, 2017)	3,200	647,360	0.1%
The 32nd fiscal period (September 1, 2017 to February 28, 2018)	3,200	656,960	0.1%
The 33rd fiscal period (March 1, 2018 to August 31, 2018)	3,200	643,200	0.1%
The 34th fiscal period (September 1, 2018 to February 28, 2019)	3,200	718,080	0.1%
The 35th fiscal period (March 1, 2019 to August 31, 2019)	3,200	680,320	0.1%
The 36th fiscal period (September 1, 2019 to February 29, 2020)	3,200	656,320	0.1%
The 37th fiscal period (March 1, 2020 to August 31, 2020)	3,200	511,680	0.1%
The 38th fiscal period (September 1, 2020 to February 28, 2021)	3,200	673,920	0.1%
The 39th fiscal period (March 1, 2021 to August 31, 2021)	6,400	684,160	0.1%
The 40th fiscal period (September 1, 2021 to February 28, 2022)	6,400	595,840	0.1%

Note "Aggregated value of investment units held at end of period" is calculated by market price of the investment securities on Tokyo Stock Exchange REIT Market at end of each fiscal period. However, the aggregated value of investment units held at end of the 38th fiscal period is calculated by using market price at then ended multiplied by 2, because JMF implemented a split of its investment units on a two-for-one basis with March 1, 2021 as the effective date and the market price as of February 28, 2021 reflects the unit split.

## 2. Notice

### *The General Meeting for Unitholders*

The 14th General Meeting of Unitholders was held on November 26, 2021 and following matters were resolved at the meeting.

Resolution proposal	Summary
Resolution Proposal 1 - Partial amendment of the Articles of Incorporation	Following amendments were resolved as proposal. <ul style="list-style-type: none"> <li>• In order to clarify the cases where JMF may manage the Core Assets and other real estate by methods other than leasing with the objective of improving unitholder value, a provision was added to the current Articles of Incorporation which provides that, as a general rule, JMF shall lease its managed assets by entering into a lease contract.</li> <li>• Article 48 of the current Articles of Incorporation provides that unitholders who do not attend a general meeting of unitholders and do not exercise voting rights pursuant to Article 93, Paragraph 1 of the Investment Trust Act are deemed to approve the proposals for resolution submitted to the general meeting of unitholders (the so-called "Deemed Approval System"). However, in order to more directly reflect the intentions of unitholders for the proposals which are likely to have a significant impact on the interests of unitholders and governance of JMF, a provision was newly established in order to amend that the Deemed Approval System will not apply to certain proposals.</li> </ul>
Resolution Proposal 2 - Appointment of one executive director	Masahiko Nishida was appointed as proposal.
Resolution Proposal 3 - Appointment of two supervisory directors	Masaharu Usuki and Osamu Ito were appointed as proposal.
Resolution Proposal 4 - Appointment of two alternate executive directors	Keita Araki and Takuya Machida were appointed as proposal.
Resolution Proposal 5 - Appointment of one alternate supervisory director	Shuhei Murayama was appointed as proposal.

### *The Board of Directors Meeting*

Execution or modification of significant agreement approved by the Board of Directors of JMF for the six months ended February 28, 2022 was as follows:

Approval day	Item	Summary
October 27, 2021	Appointment of general administrators regarding investment corporation bonds	With respect to issuance of Japan Metropolitan Fund Investment Corporation The 2nd Unsecured Investment Corporation Bonds, or the 2nd JMF Green Bonds (Special pari passu conditions among specified investment corporation bonds), the Board of Directors of JMF appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as underwriter, and MUFG Bank, Ltd. as financial agency and other general administrator regarding the investment corporation bonds.



## **Independent Auditor's Report**

To the Board of Directors of Japan Metropolitan Fund Investment Corporation

### **Opinion**

We have audited the financial statements of Japan Metropolitan Fund Investment Corporation (the Company), which comprise the balance sheet as of February 28, 2022, and the statement of income and retained earnings, statement of changes in net assets, statement of cash distributions and statement of cash flows for the six month period then ended, and notes to financial statements and supplementary schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of February 28, 2022, and its financial performance and its cash flows for the six month period then ended in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern. Those charged with governance are responsible for overseeing the Company's financial reporting process.



## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Convenience translation**

The U.S. dollar amounts in the accompanying financial statements with respect to the six month period ended February 28, 2022 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 5 to the financial statements.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

A handwritten signature in black ink, appearing to read "Wataru Wada", with a large, stylized flourish extending to the right.

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Wataru Wada  
Designated Engagement Partner  
Certified Public Accountant

A handwritten signature in black ink, consisting of the Japanese characters "大田英男" (Ohta Hideo).

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Hideo Ohta  
Designated Engagement Partner  
Certified Public Accountant

May 27, 2022

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**BALANCE SHEET**

As of August 31, 2021 and February 28, 2022

	As of		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and bank deposits (Note 6).....	¥ 64,815	¥ 38,840	\$ 336,131
Cash and bank deposits in trust (Notes 6 and 7).....	18,562	17,368	150,307
Rent receivables .....	1,047	1,014	8,775
Income taxes receivable.....	45	44	380
Consumption tax refundable .....	-	250	2,163
Other current assets .....	1,286	1,133	9,805
<b>Total current assets</b> .....	<b>85,757</b>	<b>58,652</b>	<b>507,589</b>
<b>Non-current assets:</b>			
<b>Property and equipment (Notes 7, 8, 9 and 13) at cost:</b>			
Buildings.....	2,474	2,465	21,332
Accumulated depreciation.....	(789)	(825)	(7,139)
Buildings, net.....	1,684	1,639	14,184
Building improvements.....	66	66	571
Accumulated depreciation.....	(30)	(32)	(276)
Building improvements, net.....	36	34	294
Furniture and fixtures.....	21	21	181
Accumulated depreciation.....	(15)	(16)	(138)
Furniture and fixtures, net.....	5	5	43
Land.....	28,459	28,459	246,291
Construction in progress.....	41	2	17
Buildings in trust.....	333,918	341,788	2,957,922
Accumulated depreciation.....	(109,594)	(114,653)	(992,237)
Buildings in trust, net.....	224,324	227,135	1,965,685
Building improvements in trust.....	12,218	12,214	105,703
Accumulated depreciation.....	(4,728)	(4,880)	(42,232)
Building improvements in trust, net.....	7,490	7,334	63,470
Machinery and equipment in trust.....	2,149	2,200	19,039
Accumulated depreciation.....	(1,395)	(1,449)	(12,540)
Machinery and equipment in trust, net.....	753	751	6,499
Furniture and fixtures in trust.....	4,975	5,142	44,500
Accumulated depreciation.....	(3,163)	(3,310)	(28,645)
Furniture and fixtures in trust, net.....	1,811	1,831	15,845
Land in trust.....	849,981	883,826	7,648,861
Construction in progress in trust.....	118	154	1,332
<b>Total property and equipment</b> .....	<b>1,114,706</b>	<b>1,151,174</b>	<b>9,962,561</b>
<b>Intangible assets:</b>			
Goodwill (Note 31).....	15,647	15,246	131,942
Leasehold rights in trust (Notes 7 and 9).....	5,053	5,033	43,556
Other intangible assets (Note 9).....	226	314	2,717
Other intangible assets in trust (Notes 7 and 9).....	96	84	726
<b>Total intangible assets</b> .....	<b>21,024</b>	<b>20,679</b>	<b>178,961</b>
<b>Investment and other assets:</b>			
Investment securities (Notes 10 and 22).....	10,611	13,115	113,500
Lease deposits in trust (Note 7).....	1,539	1,487	12,868
Long-term prepaid expenses.....	1,927	2,114	18,295
Derivatives.....	-	58	501
Other investments.....	1	1	8
<b>Total investment and other assets</b> .....	<b>14,080</b>	<b>16,776</b>	<b>145,183</b>
<b>Total non-current assets</b> .....	<b>1,149,812</b>	<b>1,188,629</b>	<b>10,286,707</b>
<b>Deferred assets:</b>			
Investment corporation bond issuance costs.....	151	157	1,358
<b>Total deferred assets</b> .....	<b>151</b>	<b>157</b>	<b>1,358</b>
<b>TOTAL ASSETS</b> .....	<b>¥ 1,235,720</b>	<b>¥ 1,247,439</b>	<b>\$ 10,795,664</b>

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**BALANCE SHEET**

**As of August 31, 2021 and February 28, 2022**

	As of		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Accounts payable – operating.....	¥ 3,828	¥ 3,900	\$ 33,751
Short-term borrowings (Note 11).....	-	6,000	51,925
Current portion of long-term bonds issued			
– unsecured (Notes 12 and 22).....	6,000	6,000	51,925
Current portion of long-term borrowings (Notes 11 and 22).....	52,900	47,200	408,481
Accounts payable – other.....	71	51	441
Accrued expenses.....	2,228	2,195	18,996
Income taxes payable.....	-	-	-
Consumption tax payable.....	1,157	-	-
Rent received in advance.....	4,420	4,529	39,195
Deposits received.....	1,121	2,333	20,190
Current portion of tenant leasehold and security deposits			
in trust (Notes 7 and 13).....	674	68	588
Derivatives liabilities (Notes 22 and 23).....	37	13	112
Other current liabilities.....	156	214	1,852
<b>Total current liabilities</b> .....	<b>72,598</b>	<b>72,506</b>	<b>627,485</b>
<b>Non-current liabilities:</b>			
Long-term bonds issued – unsecured (Notes 12 and 22).....	53,500	58,500	506,274
Long-term borrowings (Notes 11 and 22).....	426,275	431,975	3,738,424
Tenant leasehold and security deposits.....	1,785	1,821	15,759
Tenant leasehold and security deposits in trust (Notes 7 and 13).....	56,876	56,885	492,297
Asset retirement obligations (Note 24).....	783	787	6,810
Derivatives liabilities (Notes 22 and 23).....	109	-	-
Other non-current liabilities.....	121	105	908
<b>Total non-current liabilities</b> .....	<b>539,450</b>	<b>550,074</b>	<b>4,760,484</b>
<b>TOTAL LIABILITIES</b> .....	<b>612,049</b>	<b>622,580</b>	<b>5,387,970</b>
<b>Net Assets (Note 14):</b>			
<b>Unitholders' equity:</b>			
Unitholders' capital.....	411,878	411,878	3,564,500
Surplus:.....			
Capital surplus .....	202,855	202,855	1,755,560
Deduction from capital surplus.....	(11,999)	(11,999)	(103,842)
Capital surplus, net.....	190,855	190,855	1,651,709
Voluntary reserve.....			
Reserve for reduction entry .....	770	-	-
Reserve for dividends .....	3,915	3,915	33,881
Retained earnings for temporary difference adjustment			
(Note 15).....	2,785	1,127	9,753
Total voluntary reserve.....	7,470	5,042	43,634
Retained earnings .....	13,549	16,924	146,464
Total surplus.....	211,875	212,822	1,841,817
<b>Total unitholders' equity</b> .....	<b>623,753</b>	<b>624,700</b>	<b>5,406,317</b>
<b>Valuation and translation adjustments:</b>			
Net unrealized holding gains (losses) on investment securities.....	65	105	908
Deferred gains or losses on hedges.....	(147)	53	458
<b>Total valuation and translation adjustments</b> .....	<b>(82)</b>	<b>159</b>	<b>1,376</b>
<b>TOTAL NET ASSETS</b> .....	<b>623,671</b>	<b>624,859</b>	<b>5,407,693</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b> .....	<b>¥ 1,235,720</b>	<b>¥ 1,247,439</b>	<b>\$ 10,795,664</b>

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
For the six months ended August 31, 2021 and February 28, 2022

	For the six months ended		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
<b>Operating revenues</b>			
Rent and other operating revenues (Note 17).....	¥ 38,022	¥ 37,812	\$ 327,234
Gain on sales of property (Note 18).....	2,107	2,532	21,912
Dividend income.....	230	254	2,198
Total operating revenues.....	<u>40,360</u>	<u>40,598</u>	<u>351,345</u>
<b>Operating expenses</b>			
Property-related expenses (Note 17).....	17,239	16,995	147,079
Loss on sales of property (Note 19).....	1,767	-	-
Asset management fees.....	4,449	3,690	31,934
Custodian fees.....	30	32	276
General administration fees.....	132	149	1,289
Compensation for Directors.....	5	5	43
Merger expenses.....	356	-	-
Amortization of goodwill.....	401	401	3,470
Other operating expenses.....	417	515	4,456
Total operating expenses.....	<u>24,800</u>	<u>21,790</u>	<u>188,576</u>
<b>Operating income.....</b>	<b>15,560</b>	<b>18,808</b>	<b>162,769</b>
<b>Non-operating revenues</b>			
Interest income.....	-	-	-
Subsidy income.....	16	28	242
Sponsorship money income.....	-	52	450
Other non-operating revenues.....	4	4	34
Total non-operating revenues.....	<u>21</u>	<u>86</u>	<u>744</u>
<b>Non-operating expenses</b>			
Interest expenses.....	1,492	1,409	12,193
Interest expenses on investment corporation bonds.....	174	183	1,583
Amortization of investment corporation bond issuance costs.....	21	24	207
Loan-related costs.....	339	349	3,020
Other non-operating expenses.....	4	3	25
Total non-operating expenses.....	<u>2,031</u>	<u>1,969</u>	<u>17,040</u>
<b>Ordinary income.....</b>	<b>13,549</b>	<b>16,924</b>	<b>146,464</b>
<b>Income before income taxes.....</b>	<b>13,549</b>	<b>16,924</b>	<b>146,464</b>
Income taxes (Note 20):			
Current.....	-	-	-
Total income taxes.....	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net income.....</b>	<b>13,549</b>	<b>16,924</b>	<b>146,464</b>
<b>Unappropriated earnings at beginning of period.....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Retained earnings at the end of period.....</b>	<b>¥ 13,549</b>	<b>¥ 16,924</b>	<b>\$ 146,464</b>

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the six months ended August 31, 2021 and February 28, 2022

	Unitholders' equity										Valuation and translation adjustments				Total net assets
	Surplus										Total unitholders' equity	Net unrealized holding gains (losses) on investment securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
	Unitholders' capital	Capital surplus	Deduction from capital surplus	Capital surplus, net	Voluntary reserve										
					Reserve for reduction entry of property	Reserve for dividends	Retained earnings for temporary difference adjustment	Total voluntary reserve	Retained earnings	Total surplus					
	(in millions)														
<b>Balance as of February 28, 2021</b> .....	¥ 411,878	¥ 14,986	¥ (11,999)	¥ 2,986	¥ 452	¥ 3,915	¥ 2,918	¥ 7,285	¥ 11,896	¥ 22,168	¥ 434,046	¥ -	¥ (79)	¥ (79)	¥ 433,967
<b>Changes during the period</b>															
Increase by merger.....	-	187,868	-	187,868	-	-	-	-	-	187,868	187,868	-	-	-	187,868
Provision of reserve for reduction entry of property.....	-	-	-	-	318	-	-	318	(318)	-	-	-	-	-	-
Reversal of retained earnings for temporary difference adjustment.....	-	-	-	-	-	-	(133)	(133)	133	-	-	-	-	-	-
Cash distribution declared.....	-	-	-	-	-	-	-	-	(11,711)	(11,711)	(11,711)	-	-	-	(11,711)
Net income.....	-	-	-	-	-	-	-	-	13,549	13,549	13,549	-	-	-	13,549
Net changes of items other than unitholders' equity.....	-	-	-	-	-	-	-	-	-	-	-	65	(67)	(2)	(2)
<b>Total changes during the period</b>	-	187,868	-	187,868	318	-	(133)	185	1,652	189,706	189,706	65	(67)	(2)	189,703
<b>Balance as of August 31, 2021</b> .....	¥ 411,878	¥ 202,855	¥ (11,999)	¥ 190,855	¥ 770	¥ 3,915	¥ 2,785	¥ 7,470	¥ 13,549	¥ 211,875	¥ 623,753	¥ 65	¥ (147)	¥ (82)	¥ 623,671
<b>Changes during the period</b>															
Reversal of reserve for reduction entry of property.....	-	-	-	-	(770)	-	-	(770)	770	-	-	-	-	-	-
Reversal of retained earnings for temporary difference adjustment.....	-	-	-	-	-	-	(1,657)	(1,657)	1,657	-	-	-	-	-	-
Cash distribution declared.....	-	-	-	-	-	-	-	-	(15,977)	(15,977)	(15,977)	-	-	-	(15,977)
Net income.....	-	-	-	-	-	-	-	-	16,924	16,924	16,924	-	-	-	16,924
Net changes of items other than unitholders' equity.....	-	-	-	-	-	-	-	-	-	-	-	40	200	241	241
<b>Total changes during the period</b>	-	-	-	-	(770)	-	(1,657)	(2,427)	3,375	947	947	40	200	241	1,188
<b>Balance as of February 28, 2022</b> .....	¥ 411,878	¥ 202,855	¥ (11,999)	¥ 190,855	¥ -	¥ 3,915	¥ 1,127	¥ 5,042	¥ 16,924	¥ 212,822	¥ 624,700	¥ 105	¥ 53	¥ 159	¥ 624,859

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the six months ended August 31, 2021 and February 28, 2022

	Unitholders' equity										Valuation and translation adjustments				Total net assets
	Surplus										Total unitholders' equity	Net unrealized holding gains (losses) on investment securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
	Unitholders' capital	Capital surplus	Deduction from capital surplus	Capital surplus, net	Voluntary reserve										
					Reserve for reduction entry of property	Reserve for dividends	Retained earnings for temporary difference adjustment	Total voluntary reserve	Retained earnings	Total surplus					
	(in thousands of U.S. dollars (Note 5))														
<b>Balance as of August 31, 2021</b> .....	\$ 3,564,500	\$ 1,755,560	\$ (103,842)	\$ 1,651,709	\$ 6,663	\$ 33,881	\$ 24,102	\$ 64,647	\$ 117,256	\$ 1,833,621	\$ 5,398,122	\$ 562	\$ (1,272)	\$ (709)	\$ 5,397,412
<b>Changes during the period</b>															
Reversal of reserve for															
reduction entry of property.....	-	-	-	-	(6,663)	-	-	(6,663)	6,663	-	-	-	-	-	-
Reversal of retained earnings															
for temporary difference adjustment.....	-	-	-	-	-	-	(14,340)	(14,340)	14,340	-	-	-	-	-	-
Cash distribution declared.....	-	-	-	-	-	-	-	-	(138,269)	(138,269)	(138,269)	-	-	-	(138,269)
Net income.....	-	-	-	-	-	-	-	-	146,464	146,464	146,464	-	-	-	146,464
Net changes of items other than unitholders' equity.....	-	-	-	-	-	-	-	-	-	-	-	346	1,730	2,085	2,085
<b>Total changes during the period</b>	-	-	-	-	(6,663)	-	(14,340)	(21,003)	29,208	8,195	8,195	346	1,730	2,085	10,281
<b>Balance as of February 28, 2022</b> .....	\$ 3,564,500	\$ 1,755,560	\$ (103,842)	\$ 1,651,709	\$ -	\$ 33,881	\$ 9,753	\$ 43,634	\$ 146,464	\$ 1,841,817	\$ 5,406,317	\$ 908	\$ 458	\$ 1,376	\$ 5,407,693

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**STATEMENT OF CASH DISTRIBUTIONS**  
**For the six months ended August 31, 2021 and February 28, 2022**

	For the six months ended		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
Retained earnings at the end of period.....	¥ 13,549	¥ 16,924	\$ 146,464
Reversal of reserve for reduction entry of property.....	770	-	-
Reversal of retained earnings for temporary difference adjustment.....	1,657	199	1,722
Cash distribution declared.....	(15,977)	(15,963)	(138,147)
Provision of reserve for reduction entry of property.....	-	(1,160)	(10,038)
Retained earnings carried forward.....	¥ -	¥ -	\$ -

Cash distributions per investment unit were ¥2,286 and ¥2,284 (US\$19) for the six months ended August 31, 2021 and February 28, 2022, respectively.

***For the six months ended August 31, 2021:***

In accordance with the distribution policy in the Company's article of incorporation 26, Paragraph 1, Item 2, which stipulates to make distribution in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, a total of cash distributions declared for the six months ended August 31, 2021 amounting to ¥15,977 million consisted all of retained earnings at the end of the period after reversals of reserve for reduction entry of property amounting to ¥770 million and retained earnings for temporary difference adjustment amounting to ¥1,657 million. As a result, distribution per unit amounted to ¥2,286. The Company generally does not make distribution in excess of profit prescribed in the article of incorporation 26, Paragraph 2.

***For the six months ended February 28, 2022:***

In accordance with the distribution policy in the Company's article of incorporation 26, Paragraph 1, Item 2, which stipulates to make distribution in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, a total of cash distributions declared for the six months ended February 28, 2022 amounting to ¥15,963 million (US\$138,147 thousand) consisted all of retained earnings at the end of the period after reversal of retained earnings for temporary difference adjustment amounting to ¥199 million (US\$1,722 thousand) and provision of reserve for reduction entry of property amounting to ¥1,160 million (US\$10,038 thousand). As a result, distribution per unit amounted to ¥2,284(US\$19). The Company generally does not make distribution in excess of profit prescribed in the article of incorporation 26, Paragraph 2.

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
For the six months ended August 31, 2021 and February 28, 2022

	For the six months ended		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes.....	¥ 13,549	¥ 16,924	\$ 146,464
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation.....	6,161	6,058	52,427
Amortization of goodwill.....	401	401	3,470
Amortization of investment corporation bond issuance costs.....	21	24	207
Gain on sales of property.....	(2,107)	(2,532)	(21,912)
Loss on sales of property.....	1,767	-	-
Loss on disposal of fixed assets.....	24	25	216
Interest income.....	-	-	-
Interest expenses.....	1,667	1,593	13,786
Changes in assets and liabilities:			
(Increase) decrease in rent receivables.....	10	34	294
(Increase) decrease in income taxes receivable.....	(37)	1	8
(Increase) decrease in consumption tax refundable.....	-	(250)	(2,163)
(Increase) decrease in long-term prepaid expenses.....	(140)	(186)	(1,609)
Increase (decrease) in accounts payable - operating.....	(600)	(519)	(4,491)
Increase (decrease) in consumption tax payable.....	(56)	(1,157)	(10,012)
Increase (decrease) in accounts payable - other.....	(237)	5	43
Increase (decrease) in accrued expenses.....	(320)	(16)	(138)
Increase (decrease) in rent received in advance.....	101	108	934
Increase (decrease) in deposits received.....	(582)	(234)	(2,025)
Other, net.....	(244)	218	1,886
Sub total.....	19,377	20,497	177,386
Interest received.....	-	-	-
Interest expenses paid.....	(1,680)	(1,656)	(14,331)
Income taxes paid.....	(20)	-	-
Net cash provided by operating activities.....	17,676	18,840	163,046
<b>Cash Flows from Investing Activities:</b>			
Purchase of property and equipment.....	(39)	(24)	(207)
Purchase of property and equipment in trust.....	(32,279)	(63,250)	(547,382)
Proceeds from sales of property and equipment in trust.....	29,669	24,044	208,083
Payments for sales of property and equipment in trust.....	(56)	(134)	(1,159)
Purchase of intangible assets.....	(131)	(109)	(943)
Purchase of intangible assets in trust.....	(5)	(2)	(17)
Payments of tenant leasehold and security deposits.....	(28)	(33)	(285)
Proceeds from tenant leasehold and security deposits.....	54	34	294
Payments of tenant leasehold and security deposits in trust.....	(3,708)	(2,135)	(18,476)
Proceeds from tenant leasehold and security deposits in trust.....	1,771	3,022	26,153
Proceeds from lease deposits.....	-	10	86
Proceeds from lease deposits in trust.....	7	42	363
Purchase of investment securities.....	(1,893)	(2,463)	(21,315)
Payments for restricted bank deposits in trust.....	-	-	-
Net cash provided by (used in) investing activities.....	(6,638)	(41,000)	(354,824)
<b>Cash Flows from Financing Activities:</b>			
Proceeds from short-term borrowings.....	-	6,500	56,252
Repayments of short-term borrowings.....	-	(500)	(4,327)
Proceeds from long-term borrowings.....	39,750	28,500	246,646
Repayments of long-term borrowings.....	(46,750)	(28,500)	(246,646)
Proceeds from issuance of investment corporation bonds.....	8,449	4,969	43,003
Redemption of investment corporation bonds.....	(1,500)	-	-
Distribution payments.....	(5,434)	-	-
Payments of merger cash distributions.....	(11,710)	(15,977)	(138,269)
Net cash used in financing activities.....	(17,194)	(5,008)	(43,340)
<b>Net change in cash and cash equivalents.....</b>	<b>(6,156)</b>	<b>(27,168)</b>	<b>(235,118)</b>
<b>Cash and cash equivalents at the beginning of period.....</b>	<b>72,563</b>	<b>82,864</b>	<b>717,126</b>
<b>Increase in cash and cash equivalents resulting from merger.....</b>	<b>16,457</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of period (Note 6).....</b>	<b>¥ 82,864</b>	<b>¥ 55,696</b>	<b>\$ 482,007</b>

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**As of and for the six months ended August 31, 2021 and February 28, 2022**

**Note 1 — Organization**

Japan Metropolitan Fund Investment Corporation (the “Company”), a real estate investment corporation, with initial capital of ¥200 million, was incorporated on September 14, 2001, under the Act on Investment Trusts and Investment Corporations of Japan (the “Investment Trust Act”). The sponsor of the Company is KKR & Co. Inc. (together with its subsidiaries, “KKR”). The Company was formed to invest primarily in retail properties in Japan. On March 12, 2002, the Company raised ¥23.46 billion through an initial public offering of 52,000 investment units.

On March 13, 2002, the day after the Company was listed on the J-REIT section of the Tokyo Stock Exchange, four retail properties were acquired, and operations of the Company commenced.

The Company merged with LaSalle Japan REIT Inc on March 1, 2010, and MCUBS MidCity Investment Corporation on March 1, 2021.

The total assets managed by the Company at the end of the 40th fiscal period (February 28, 2022) amounted to ¥1,211.3 billion (US\$10,482 million) (the total acquisition price of 128 properties).

**Note 2 — Summary of Significant Accounting Policies**

***(a) Basis of Presentation***

The Company maintains its accounts and records in conformity with accounting principles and practices generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Investment Trust Act, the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan, and other related regulations, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards or accounting principles generally accepted in the United States of America.

The accompanying financial statements are a translation of the financial statements of the Company, which were prepared in accordance with Japanese GAAP and filed with the Kanto Local Finance Bureau as required by the Financial Instruments and Exchange Act of Japan. In preparing the accompanying financial statements, relevant notes have been added and certain reclassifications have been made from financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan.

The financial statements are not intended to present the financial position and the results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

The Company’s fiscal period is a six-month period which ends at the end of February and August of each year.

Amounts less than ¥1 million and US\$1 thousand have been rounded down. As a result, the total shown in the financial statements and notes thereto do not necessarily agree to the sum of the individual account balances.

The Company does not prepare consolidated financial statements as it has no subsidiaries.

***(b) Cash and Cash Equivalents and Restricted Bank Deposits***

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid and readily convertible into cash, have a low risk of price fluctuation, and mature within three months from the date of acquisition.

The usage of restricted bank deposits is limited to repayments of tenant leasehold and security deposits.

***(c) Securities***

Investment securities for which market quotations are available are stated at fair value, with net unrealized gains or losses reported in a separate component of net assets. Costs of securities sold are determined by the moving average method. Non-marketable securities held as available-for-sale are stated at cost determined by the moving average method. Investments in Tokumei Kumiai (silent partnership) agreements or investment limited partnership are accounted for by using the equity method of accounting.

#### ***(d) Property and Equipment***

Property and equipment is recorded at cost. Depreciation of property and equipment, except for land, is calculated on a straight-line basis over the estimated useful lives of the assets as stated below:

Buildings, Buildings in trust.....	2-62 years
Building improvements, Building improvements in trust.....	2-60 years
Machinery and equipment in trust .....	2-17 years
Furniture and fixtures, Furniture and fixtures in trust .....	2-20 years

#### ***(e) Intangible Assets***

Goodwill is amortized on a straight-line basis over 20 years. Other intangible assets are amortized on a straight-line basis over the period of the estimated useful lives of the assets.

#### ***(f) Long-term Prepaid Expenses***

Long-term prepaid expenses are amortized on a straight-line basis.

#### ***(g) Impairment of Fixed Assets***

An impairment assessment is carried out on an asset or group of assets, such as fixed assets and intangible assets, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If the asset or group of assets is deemed to be impaired, an impairment loss is recognized for the difference between the carrying amount and the recoverable amount of the asset or group of assets.

#### ***(h) Accounting Treatment of Trust Beneficiary Interests in Real Estate Trusts***

Trust beneficiary interests in real estate trusts are commonly utilized to obtain ownership in commercial properties in Japan, through which the Company holds all of its real estate. Assets and liabilities with respect to assets in trust, as well as all income generated and expenses incurred with respect to assets in trust, are recorded in the relevant accounts for balance sheet and statement of income and retained earnings of the Company in proportion to the percentage interest that such trust beneficiary interest represents.

Certain material assets or liabilities in trust listed below are, however, presented separately in the balance sheets.

- (1) Cash and bank deposits in trust
- (2) Buildings in trust, Building improvements in trust, Machinery and equipment in trust, Furniture and fixtures in trust, Land in trust and Construction in progress in trust
- (3) Leasehold rights in trust
- (4) Other intangible assets in trust
- (5) Lease deposits in trust
- (6) Tenant leasehold and security deposits in trust

#### ***(i) Investment Corporation Bond Issuance Costs***

Investment corporation bond issuance costs are capitalized and amortized on a straight-line basis over the maturity period of the bonds issued, which range from five to twelve years.

#### ***(j) Investment Unit Issuance Costs***

Investment unit issuance costs are capitalized and amortized over three years.

#### ***(k) Income Taxes***

Deferred tax assets and liabilities are computed based on the temporary differences between accounting and tax bases of assets and liabilities using the applicable statutory tax rate.

#### ***(l) Consumption Taxes***

Consumption taxes withheld and consumption taxes paid are not included in the statements of income and retained earnings. Consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld are included in current assets and the excess of amounts withheld over payments are included in current liabilities as the case may be.

### ***(m) Taxes on Property and Equipment***

Property and equipment are subject to various taxes, such as property taxes and urban planning taxes, on an annual basis. An owner of a property is registered in the record maintained by the local government in each jurisdiction, and such taxes are imposed on the owner registered in the record as of January 1st of each year based on the assessment made by the local government.

Under the above tax rules, a seller of a property at the time of disposition is liable for these taxes on the property from the date of disposition to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued tax liabilities and the amount of settlement reflects this adjustment. For the purchaser, a portion of such taxes calculated from the acquisition date to the end of the calendar year is capitalized as a cost of the property in accordance with Japanese GAAP. In subsequent calendar years, half of such taxes on property and equipment for each calendar year are charged as operating expenses in each fiscal period.

Taxes on property and equipment capitalized amounted to ¥77 million and ¥24 million (US\$207 thousand) for the six months ended August 31, 2021 and February 28, 2022, respectively.

### ***(n) Revenue Recognition***

The content of the performance obligations regarding revenue arising from contracts with customers of the Company and the normal point in time when satisfying such performance obligations (normal point in time when recognizing revenues) are mainly as follows:

#### ***(1) Sale of property***

Revenue from sale of property is recognized when the purchaser, which is a customer, acquires control of the property by fulfilling the delivery obligations stipulated in the sale contract of the property.

#### ***(2) Common area charges***

For common area charges, revenue is recognized based on the supply of electricity, water, etc., to the lessee, which is a customer, in accordance with the terms of the lease agreement of properties and accompanying agreements. Of the utilities revenue, when the Company is deemed to be an agent in the transaction, the net amount obtained by deducting the amount paid to other related parties supplying electricity, water, etc., from the amount received as the charges for electricity, water, etc., is recognized as revenue.

### ***(o) Hedge Accounting***

In accordance with the Company's risk management policy and its internal rules, the Company conducts derivative transactions for the purpose of hedging risks that are prescribed in the Company's articles of incorporation. The Company hedges fluctuations in interest rates of borrowings through the use of interest rate swaps as hedging instruments, to which deferred hedge accounting is applied, where gains or losses on derivatives qualifying for hedge accounting are deferred as valuation and translation adjustments within net assets until maturity of the hedge transaction. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments and those of the hedged items.

For the interest rate swaps which qualify for hedge accounting and meet specific criteria, the Company applies the special treatment provided under Japanese GAAP under which only the interest received or paid under such swap contracts is recognized and added to or reduced from any interest earned or incurred on the hedged asset or liability as appropriate, and the fair value of the interest rate swaps is not required to be measured separately. The assessment of hedge effectiveness is not performed when the interest rate swaps meet the specific criteria required for such special treatment.

### ***(p) Leases***

The Company capitalized all finance leases that do not transfer ownership of the leased assets to the lessee on its balance sheets and depreciates the leased assets using the straight-line method, assuming no residual value, over the lease term.

### Note 3 — Changes in Accounting Policies

#### (a) Application of Accounting Standard for Revenue Recognition

The Company applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29 revised on March 31, 2020), etc. from the beginning of the six months ended February 28, 2022, and recognizes revenue based on the amount expected to be received in exchange for the promised goods or services when the control of such goods or services is transferred to the customer. The effect of this application on the financial statements is immaterial.

#### (b) Application of Accounting Standard for Fair Value Measurement

The Company applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30 issued on July 4, 2019), etc. from the beginning of the six months ended February 28, 2022, and applies the new accounting policies mandated by Accounting Standard for Fair Value Measurement, etc., prospectively, in accordance with the transitional treatments specified in Paragraph 19 of Accounting Standard for Fair Value Measurement and Paragraph 44-2 of Accounting Standard for Financial Instruments (ASBJ Statement No. 10 revised on July 4, 2019). The effect of this application on the financial statements is immaterial.

### Note 4 — Significant Accounting Estimates

#### Impairment of Fixed Assets

##### (a) Amounts of items subject to the accounting estimates

	As of / For the six months ended		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
Impairment loss.....	¥ -	¥ -	\$ -
Property and equipment.....	1,114,706	1,151,174	9,962,561
Intangible assets.....	5,376	5,432	47,009

##### (b) Information on significant accounting estimates for identified item

In accordance with the Accounting Standard for Impairment of Fixed Assets, the Company reduce the book value of fixed assets to a recoverable amount when the carrying amount is deemed to be unrecoverable due to lowered profitability.

An impairment assessment is carried out for each property as one asset group, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, such as continuous operating losses, a significant drop in the market value and significant deterioration of the business environment, etc.

If a group of assets is deemed to be impaired, the Company determines whether or not to recognize impairment loss using future cash flow estimates. When impairment loss should be recognized, the book value is reduced to the recoverable amount based on the real estate appraisal value by external appraisers, and an impairment loss is recognized for the difference between the carrying amount and the recoverable amount.

The Company estimates the future cash flow based on various assumptions, such as rent, occupancy ratio, rental expenses, investment period of the property, capital expenditures and discount rate used for calculation of the recoverable amount, etc., which are determined by comprehensively considering the market trends and transaction cases of similar properties, etc., while referring to information from outside experts, such as assumptions used for appraisals by external appraisers.

The performance and the market value of each property may be affected by the trends in the real estate rental market and real estate transaction market. Accordingly, when changes arise to the assumptions of the estimate, they may affect the financial position and results of operation of the Company in the following fiscal period.

### Note 5 — U.S. Dollar Amounts

The Company maintains its accounting records in Japanese yen. The U.S. dollar amounts included in the accompanying financial statements and notes thereto represent the arithmetical result of translating Japanese yen into U.S. dollars at the rate of ¥115.55 = US\$1, the effective rate of exchange prevailing at February 28, 2022. The inclusion of such U.S. dollar amounts associated with the fiscal six months ended February 28, 2022 is solely for the convenience of readers outside of Japan. Such translations should not be construed as representations that the Japanese yen amounts represent, or have been, or could be converted into, United States dollar amounts at that or any other rate.

## Note 6 — Cash and Cash Equivalents

Cash and cash equivalents shown in the statement of cash flows consist of the following balance sheet items.

	As of		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
Cash and bank deposits.....	¥ 64,815	¥ 38,840	\$ 336,131
Cash and bank deposits in trust.....	18,562	17,368	150,307
Restricted bank deposits in trust <sup>(i)</sup> .....	(513)	(513)	(4,439)
Cash and cash equivalents.....	¥ 82,864	¥ 55,696	\$ 482,007

Note:

(i) The usage of the bank deposits in trust is restricted to repayments of tenant leasehold and security deposits.

## Note 7 — Trust Beneficiary Interests in Real Estate Trusts

The investment properties managed by the Company consist of real properties and trust beneficiary interests in real estate trusts. For trust beneficiary interests in real estate trusts, all assets and liabilities with respect to assets in the trusts are recorded in the relevant balance sheet accounts of the Company in proportion to the percentage interest in the trusts.

The assets and liabilities owned in the real estate trusts are summarized as follows:

	As of		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
<b>Assets</b>			
Current assets:			
Cash and bank deposits.....	¥ 18,562	¥ 17,368	\$ 150,307
Property and equipment, at cost:			
Land.....	849,981	883,826	7,648,861
Buildings.....	333,918	341,788	2,957,922
Building improvements.....	12,218	12,214	105,703
Machinery and equipment.....	2,149	2,200	19,039
Furniture and fixtures.....	4,975	5,142	44,500
Construction in progress.....	118	154	1,332
<i>Total property and equipment.....</i>	<i>1,203,361</i>	<i>1,245,326</i>	<i>10,777,377</i>
Less: Accumulated depreciation.....	(118,881)	(124,293)	(1,075,664)
<i>Net property and equipment.....</i>	<i>1,084,480</i>	<i>1,121,033</i>	<i>9,701,713</i>
Other assets:			
Leasehold rights.....	5,053	5,033	43,556
Other intangible assets.....	96	84	726
Lease deposits.....	1,539	1,487	12,868
<b>Liabilities</b>			
Current liabilities:			
Current portion of tenant leasehold and security deposits.....	674	68	588
Non-current liabilities:			
Tenant leasehold and security deposits.....	56,876	56,885	492,297

## Note 8 — Reduction Entry for Property

Certain properties were acquired by government subsidies received or through exchange. The acquisition costs of such properties were reduced as follows:

	As of		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
Acquired by government subsidies			
Buildings in trust.....	¥ 334	¥ 336	\$ 2,907
Building improvements in trust.....	-	-	-
Furniture and fixtures in trust.....	-	-	-
Total.....	¥ 335	¥ 337	\$ 2,916
Land in trust acquired through exchange.....	¥ 450	¥ 450	\$ 3,894

## Note 9 — Fair Value of Investment and Rental Property

The Company has mainly retail properties, office buildings, residences, hotels and mixed-use properties as investment assets which are located mainly in three major metropolitan areas and other metropolitan areas in Japan. The following table shows the net book value and the fair value of the investment and rental properties in the aggregate for the six months ended August 31, 2021 and February 28, 2022.

	As of / For the six months ended		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
<b>Net book value<sup>(i)</sup></b>			
Balance at the beginning of the period.....	¥ 824,751	¥ 1,119,816	\$ 9,691,181
Net increase(decrease) during the period <sup>(ii)</sup> .....	295,065	36,473	315,646
Balance at the end of the period.....	¥ 1,119,816	¥ 1,156,289	\$ 10,006,828
<b>Fair value<sup>(iii)</sup></b> .....	¥ 1,280,820	¥ 1,308,995	\$ 11,328,385

Notes:

- (i) The net book value includes leasehold rights and other intangible assets.  
(ii) Changes in the net book value are mainly due to the following transactions (except for depreciation):

	Increase (decrease) in net book value	
	(in millions)	(in thousands of U.S. dollars (Note 5))
<b>For the six months ended August 31, 2021:</b>		
Acquisitions:		
25 properties, etc., succeeded from MCUBS MidCity Investment Corporation by the merger.....	¥	297,210
JMF-Bldg. Ichigaya 01.....		21,181
G-Bldg. Shinsaibashi 05.....		9,113
Capital expenditure:		
Total of capital expenditures for the period.....	¥	2,618
Dispositions:		
Ito-Yokado Yotsukaido.....		(12,080)
AEON Takatsuki.....		(9,715)
AEON MALL Yamato (50% quasi-co-ownership).....		(7,400)
<b>For the six months ended February 28, 2022:</b>		
Acquisitions:		
JMF-Bldg. Akasaka 02.....	¥	44,063
JMF-Bldg. Hiroo 01.....		10,102
JMF-Bldg. Funabashi 01.....		5,173
JMF-Residence Chihaya (50% quasi-co-ownership).....		1,717
Capital expenditure:		
Total of capital expenditures for the period.....		2,778
Dispositions:		
G-Bldg. Minami Aoyama 01.....		(9,999)
G-Bldg. Shinjuku 01.....		(6,488)
Valor Kachigawa (Land with leasehold interest) (50% quasi-co-ownership).....		(3,205)
G-Bldg. Ginza 01 (30% quasi-co-ownership).....		(1,659)

- (iii) Fair value has been determined based on appraisals or researched value by independent appraisers. For G-Bldg. Ginza 01 (70% quasi-co-ownership as of February 28, 2022) and Summit Store Nakano Minamidai signed disposition contract on November 30, 2021, the selling prices are used.

For rent revenues and expenses for the six months ended August 31, 2021 and February 28, 2022, please refer to “Note 17 – Analysis of Rent and Other Operating Revenues and Property-Related Expenses”.

## Note 10 – Investment Securities

### As of August 31, 2021

Other investment securities:

	Classification of securities	Carrying amounts	Acquisition cost (in millions)	Difference
Securities of which the amount reported on the balance sheet exceed the acquisition cost.....	Other	¥ 1,959	¥ 1,894	¥ 65
Securities of which the amount reported on the balance sheet do not exceed the acquisition cost.....	—	-	-	-
Total.....		<u>¥ 1,959</u>	<u>¥ 1,894</u>	<u>¥ 65</u>

Note:

- (i) The investment securities (equity interests in silent partner ship) amounting to ¥8,651 million are not included in the above information, because those are not traded in markets, and it is too difficult to estimate reasonable fair value.

### As of February 28, 2022

Other investment securities:

	Classification of securities	Carrying amounts	Acquisition cost (in millions)	Difference
Securities of which the amount reported on the balance sheet exceed the acquisition cost.....	Other	¥ 3,680	¥ 3,575	¥ 105
Securities of which the amount reported on the balance sheet do not exceed the acquisition cost.....	—	-	-	-
Total.....		<u>¥ 3,680</u>	<u>¥ 3,575</u>	<u>¥ 105</u>

	Classification of securities	Carrying amounts	Acquisition cost (in thousands of U.S. dollars (Note 5))	Difference
Securities of which the amount reported on the balance sheet exceed the acquisition cost.....	Other	\$ 31,847	\$ 30,938	\$ 908
Securities of which the amount reported on the balance sheet do not exceed the acquisition cost.....	—	-	-	-
Total.....		<u>\$ 31,847</u>	<u>\$ 30,938</u>	<u>\$ 908</u>

Note:

- (i) Investment interests in silent partnership amounting to ¥8,651 million (US\$74,876 thousand) and investment limited partnership amounting to ¥782 million (US\$6,773 thousand) are not included in the above information, because those are not traded in markets.

## Note 11 — Bank Borrowings, Credit Facilities and Commitment Lines

Bank borrowings outstanding as of August 31, 2021 and February 28, 2022 and average interest rates range for each period were as follows:

	As of / For the six months ended		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
<b>Bank borrowings at end of the period</b>			
Short-term borrowings.....	¥ -	¥ 6,000	\$ 51,925
Long-term borrowings.....	479,175	479,175	4,146,906
Total.....	¥ 479,175	¥ 485,175	\$ 4,198,831
<b>Average interest rates range for the period.....</b>	From 0.2% to 2.2%	From 0.2% to 2.2%	

As of August 31, 2021 and February 28, 2022, the Company entered into credit facilities and committed lines of credit as follows:

	As of		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
<b>Credit Facilities</b>			
Total amount of credit facilities.....	¥ 55,500	¥ 55,500	\$ 480,311
Borrowings drawn down.....	-	-	-
Unused credit facilities.....	¥ 55,500	¥ 55,500	\$ 480,311
<b>Commitment Lines</b>			
Total amount of committed lines of credit.....	¥ 75,000	¥ 75,000	\$ 649,069
Borrowings drawn down.....	-	-	-
Unused committed lines of credit.....	¥ 75,000	¥ 75,000	\$ 649,069

## Note 12 — Investment Corporation Bonds

The details of unsecured investment corporation bonds issued and outstanding as of August 31, 2021 and February 28, 2022 are as follows:

	Balance as of		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
<b>Long-term bonds—unsecured</b>			
¥7.5 billion of 10-year bonds, issued on December 18, 2013, maturing on December 18, 2023 with a coupon of 1.108%.....	¥ 7,500	¥ 7,500	\$ 64,906
¥8 billion of 12-year bonds, issued on June 26, 2014, maturing on June 26, 2026 with a coupon of 1.260%.....	8,000	8,000	69,234
¥7 billion of 10-year bonds, issued on February 5, 2015, maturing on February 5, 2025 with a coupon of 0.765%.....	7,000	7,000	60,579
¥1.5 billion of 10-year bonds, issued on May 23, 2016, maturing on May 22, 2026 with a coupon of 0.810%.....	1,500	1,500	12,981
¥5 billion of 5-year bonds, issued on May 19, 2017, maturing on May 19, 2022 with a coupon of 0.220%.....	5,000	5,000	43,271
¥2 billion of 10-year bonds, issued on May 19, 2017, maturing on May 19, 2027 with a coupon of 0.480%.....	2,000	2,000	17,308
¥1 billion of 5-year bonds, issued on May 29, 2017, maturing on May 27, 2022 with a coupon of 0.260%.....	1,000	1,000	8,654
¥2 billion of 10-year bonds, issued on May 29, 2017, maturing on May 28, 2027 with a coupon of 0.670%.....	2,000	2,000	17,308
¥2 billion of 10-year bonds, issued on May 29, 2018, maturing on May 29, 2028 with a coupon of 0.590%.....	2,000	2,000	17,308
¥8 billion of 5-year bonds (Green Bonds), issued on May 25, 2018, maturing on May 25, 2023 with a coupon of 0.210%.....	8,000	8,000	69,234
¥7 billion of 5-year bonds (Green Bonds), issued on June 25, 2019, maturing on June 25, 2024 with a coupon of 0.200%.....	7,000	7,000	60,579
¥8.5 billion of 10-year bonds (Green Bonds), issued on June 25, 2021, maturing on June 25, 2031 with a coupon of 0.450%.....	8,500	8,500	73,561
¥5 billion of 5-year bonds (Green Bonds), issued on December 7, 2021, maturing on December 7, 2026 with a coupon of 0.140%.....	-	5,000	43,271
<b>Total.....</b>	<b>¥ 59,500</b>	<b>¥ 64,500</b>	<b>\$ 558,199</b>

## Note 13 — Collateral

Certain properties and beneficiary interests in trusts (comprising of properties and cash) with an aggregate book value of ¥176,564 million and ¥175,473 million (US\$1,518,589 thousand) were pledged as collateral to secure tenant leasehold and security deposits in trust totaling ¥16,225 million and ¥15,685 million (US\$135,742 thousand) as of August 31, 2021 and February 28, 2022, respectively. The assets pledged as collateral are as follows:

	As of		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
Cash and bank deposits in trust.....	¥ 513	¥ 513	\$ 4,439
Buildings in trust.....	49,361	48,347	418,407
Building improvements in trust.....	2,058	2,008	17,377
Machinery and equipment in trust.....	143	133	1,151
Furniture and fixtures in trust.....	515	507	4,387
Land in trust.....	123,961	123,961	1,072,790
Construction in progress in trust.....	12	2	17
Total.....	<u>¥ 176,564</u>	<u>¥ 175,473</u>	<u>\$ 1,518,589</u>

Certain lands and buildings included in the above table were pledged as collateral to secure a former owner's payment of retirement benefit obligation for amounts of ¥350 million and ¥350 million (US\$3,028 thousand) as of August 31, 2021 and February 28, 2022, respectively, or a co-owner's payment of tenant leasehold and security deposits for amounts of ¥133 million and ¥133 million (US\$1,151 thousand) as of August 31, 2021 and February 28, 2022, respectively, and revolving mortgage at a maximum ¥558 million and ¥558 million (US\$4,836 thousand) as of August 31, 2021 and February 28, 2022, respectively.

## Note 14 — Net Assets

The Company issues only non-par value investment units in accordance with the Investment Trust Act, and the entire amount of the issue price of new investment units is allocated to unitholders' capital within net assets. The Company is required to maintain net assets of at least ¥50 million (US\$432 thousand) as required by the Investment Trust Act.

The number of authorized investment units were 16,000,000 as of August 31, 2021 and February 28, 2022. The number of investment units issued and outstanding were 6,989,091 as of August 31, 2021 and February 28, 2022.

The Company purchased its own investment units and retired all of its own investment units as following table. The acquisition cost of the Company's own investment units is deducted from capital surplus in unitholders' equity.

	As of		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
Accumulated amount of units retired.....	¥ 11,999	¥ 11,999	\$ 103,842
Accumulated units retired.....	64,715	64,715	

## Note 15 — Retained Earnings for Temporary Difference Adjustment

Movements of retained earnings for temporary difference adjustment are as follows:

### *For the six months ended August 31, 2021:*

	<u>Initial amount</u>	<u>Balance at beginning of the period</u>	<u>Provision</u>	<u>Reversal</u>	<u>Balance at end of the period</u>	<u>Reason for provision or reversal</u>
			<u>(in millions)</u>			
Reserve for dividends <sup>(i)</sup> .....	¥ 3,138	¥ 2,918	¥ -	¥ (133)	¥ 2,785	Appropriation for dividends

### *For the six months ended February 28, 2022:*

	<u>Initial amount</u>	<u>Balance at beginning of the period</u>	<u>Provision</u>	<u>Reversal</u>	<u>Balance at end of the period</u>	<u>Reason for provision or reversal</u>
			<u>(in millions)</u>			
Reserve for dividends <sup>(i)</sup> .....	¥ 3,138	¥ 2,785	¥ -	¥ (1,657)	¥ 1,127	Appropriation for dividends
			<u>(in thousands of U.S. dollars (Note 5))</u>			
	\$ 27,157	\$ 24,102	\$ -	\$ (14,340)	\$ 9,753	

Note:

- (i) The retained earnings for temporary difference adjustment was transferred from reserve for dividends, which was derived from negative goodwill, by applying Article 3 of the Supplementary Provision of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015) in the statements of cash distributions for the six months ended February 28, 2017 and will be reversed and appropriated for dividends in forthcoming periods by an amount equal to or more than the initial amount divided by 50 years.

## Note 16 — Revenue Recognition

Information on the breakdown of revenue from contracts with customers for the six months ended February 28, 2022 is as follows:

**For the six months ended February 28, 2022:**

	Revenue from contracts with customers <sup>(i)</sup>		Sales to external customers	
	(in millions)	(in thousands of U.S. dollars (Note 5))	(in millions)	(in thousands of U.S. dollars (Note 5))
Sales of property <sup>(ii)</sup> .....	¥ Note (iii)	\$ -	¥ 2,532	\$ 21,912
Common area charges.....	1,763	15,257	1,763	15,257
Others.....	-	-	36,302	314,167
Total.....	¥ Note (iii)	\$ -	¥ 40,598	\$ 351,345

Notes:

- (i) Lease rental revenues subject to the “Accounting Standard for Lease Transactions” (Accounting Standards Board of Japan Statement No.13) and sale of property subject to the “Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies” (Accounting Practice Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) are excluded from “Revenue from contracts with customers” as such revenues are not subject to Accounting Standard for Revenue Recognition. Revenue from contracts with customers mainly represents revenues from sales of property and common area charges.
- (ii) Sales of property are recorded as gain (loss) on sales of property in the statements of Income and retained earnings pursuant to Article 48, Paragraph 2 of the Regulations on Accounting of Investment Corporations (Cabinet Office Order No. 47 of 2006). Accordingly, the sales to external customers shows the amount obtained by deducting cost of sales of property and other sales expenses proceeds from sales of property.
- (iii) For sales of property, revenue from contracts with customers is not disclosed because the consent from the counterparty has not been obtained.

Information to understand amounts of revenues for the current fiscal period and future fiscal periods is as follows:

(1) *Balance of contract assets and contract liabilities, etc.*

	For the six months ended February 28, 2022	
	(in millions)	(in thousands of U.S. dollars (Note 5))
Receivables generated from contracts with customers (balance at beginning of fiscal period).....	¥ 420	\$ 3,634
Receivables generated from contracts with customers (balance at end of fiscal period).....	345	2,985
Contract assets (balance at beginning of fiscal period).....	-	-
Contract assets (balance at end of fiscal period).....	-	-
Contract liabilities (balance at beginning of fiscal period).....	-	-
Contract liabilities (balance at end of fiscal period).....	-	-

(2) *Transaction value allocated to remaining performance obligations*

**For the six months ended February 28, 2022:**

With respect to sale of property, selling prices of each property sold are not disclosed because the consent from the counterparty has not been obtained. On November 30, 2021, the Company signed a disposition contract for properties (G-Bldg. Ginza 01, G-Bldg. Shinjuku 01 and Summit Store Nakano Minamidai) for ¥20,820 million (US\$180,181 thousand) in total. G-Bldg. Ginza 01 (30% quasi-co-ownership of which) and G-Bldg. Shinjuku 01 were transferred to the purchaser by the end of the fiscal period.

With regard to common area charges, as the Company has the right to receive from customers an amount directly corresponding to the value for the lessees, who are customers, of sections for which performance is complete by the end of the fiscal period, the amount it has the right to claim is recognized as revenue in accordance with Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition. Accordingly, such amounts are not included in the note on transaction value allocated to remaining performance obligations through application of the provisions of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition.

## Note 17 — Analysis of Rent and Other Operating Revenues and Property-Related Expenses

Rent and other operating revenues and property-related expenses for the six months ended August 31, 2021 and February 28, 2022 consist of the following:

	For the six months ended		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
<b>Rent and other operating revenues:</b>			
Rent revenue.....	¥ 33,669	¥ 33,623	\$ 290,982
Common area charges.....	1,741	1,763	15,257
Other.....	2,611	2,425	20,986
Total rent and other operating revenues.....	<u>¥ 38,022</u>	<u>¥ 37,812</u>	<u>\$ 327,234</u>
<b>Property-related expenses:</b>			
Property management fees.....	¥ 833	¥ 870	\$ 7,529
Facility management fees.....	2,353	2,396	20,735
Utilities.....	1,897	1,968	17,031
Property-related taxes.....	3,377	3,296	28,524
Repair and maintenance.....	884	572	4,950
Insurance.....	31	38	328
Trust fees.....	55	53	458
Rent expense <sup>(i)</sup> .....	789	823	7,122
Other.....	843	927	8,022
Depreciation.....	6,148	6,023	52,124
Loss on disposal of property.....	24	25	216
Total property-related expenses.....	<u>¥ 17,239</u>	<u>¥ 16,995</u>	<u>\$ 147,079</u>
<b>Operating income from property leasing activities.....</b>	<u>¥ 20,783</u>	<u>¥ 20,817</u>	<u>\$ 180,155</u>

Note:

(i) Rent expense represents payments to the owners of the building and/or land in which the Company has leasehold rights.

## Note 18 — Analysis of Gain on Sales of Property

Analysis of gain on sales of property for the six months ended August 31, 2021 and February 28, 2022 is as follows:

	For the six months ended		
	August 31,	February 28,	February 28,
	2021	2022	2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
Sales of property.....	¥ 19,554	¥ 24,045	\$ 208,091
Costs of property.....	17,115	21,353	184,794
Other sales expenses.....	331	159	1,376
Gain on sales of property, net.....	¥ 2,107	¥ 2,532	\$ 21,912

For the six months ended February 28, 2022, the Company sold G-Bldg. Minami Aoyama 01, G-Bldg. Shinjuku 01, G-Bldg. Ginza 01 (30% quasi-co-ownership) and Valor Kachigawa (Land with leasehold interest) (50% quasi-co-ownership). Disposal amounts of each property are not disclosed because the consent from the counter party has not been obtained.

## Note 19 — Analysis of Loss on Sales of Property

Analysis of loss on sales of property for the six months ended August 31, 2021 is as follows:

	For the six months ended		
	August 31,	February 28,	February 28,
	2021	2022	2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
Sales of property.....	¥ 10,350	¥ -	\$ -
Costs of property.....	12,080	-	-
Other sales expenses.....	36	-	-
Loss on sales of property, net.....	¥ (1,767)	¥ -	\$ -

## Note 20 — Income Taxes

The Company is subject to corporate income taxes in Japan. The Company may deduct from its taxable income the amounts distributed to its unitholders, provided the requirements are met under the Special Taxation Measures Act of Japan. Under this act, the Company must meet a number of tax requirements, including a requirement to distribute in excess of 90% of the distributable profit for the fiscal period in order to be able to deduct such amounts. If the Company does not satisfy all of the requirements, the entire taxable income of the Company will be subject to regular corporate income taxes in Japan.

The Company has a policy of making distributions in excess of 90% of its distributable profit for the fiscal period to satisfy the above requirements set forth in the Special Taxation Measures Act of Japan to achieve a deduction of distributions for income tax purposes. The Company has distributed approximately 100% of distributable profit. Hence, the Company has treated the distributions as a tax allowable deduction as defined in the Special Taxation Measures Act of Japan.

Deferred tax assets or liabilities are recognized where assets or liabilities have different accounting and tax bases. The tax rate used for the calculation of deferred tax is the rate applicable to the period in which the temporary differences are expected to be reversed. Since we would generally not expect to incur income tax payable in the future, in principle we provide for a valuation allowance in full for future deductible temporary differences that would give rise to deferred tax assets. Deferred tax liabilities are recognized except for cases where it is highly likely that the Company will not be subject to income tax in the future.

Reconciliation of significant differences between the normal effective statutory tax rate and the actual effective tax rate after application of tax effect accounting are as follows:

	For the six months ended	
	August 31, 2021	February 28, 2022
	(Rate)	
Statutory tax rate.....	31.46%	31.46%
Deductible cash distributions.....	(32.80)	(29.66)
Change in valuation allowance (for deferred tax assets).....	(1.36)	(0.41)
Amortization of goodwill.....	0.93	0.75
Reversal of retained earnings for reduction entry of property.....	1.79	-
Provision of reserve for reduction entry of property.....	-	(2.16)
Other.....	(0.01)	0.03
Effective tax rate.....	<u>0.00%</u>	<u>0.00%</u>

Deferred tax assets and liabilities consist of the following:

	As of		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
<b>Deferred tax assets:</b>			
Asset retirement obligations.....	¥ 246	¥ 247	\$ 2,137
Amortization of leasehold rights.....	165	175	1,514
Depreciation.....	18	19	164
Valuation differences on assets acquired through the merger.....	10,860	10,754	93,067
Deferred losses on hedges.....	46	4	34
Other.....	38	62	536
Sub total.....	<u>11,374</u>	<u>11,263</u>	<u>97,472</u>
Total valuation allowance.....	<u>(11,374)</u>	<u>(11,263)</u>	<u>(97,472)</u>
Total deferred tax assets.....	-	-	-
<b>Net deferred tax assets.....</b>	<u>¥ -</u>	<u>¥ -</u>	<u>\$ -</u>

## Note 21 — Leases

### (a) Lease Rental Revenues

The Company leases its properties to retail tenants. Future minimum rental revenues pursuant to existing rental contracts as of August 31, 2021 and February 28, 2022 (exclusive of the recovery of utility and other charges) scheduled to be received are summarized as follows:

	As of		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
Due within one year.....	¥ 19,519	¥ 17,637	\$ 152,635
Due after one year.....	68,449	65,351	565,564
Total.....	¥ 87,969	¥ 82,989	\$ 718,208

### (b) Lease Commitments

As described in Note 2 (p), Finance lease transactions that do not transfer ownership of the leased assets to the lessee, are capitalized and depreciated on a straight-line basis, assuming no residual value, over the lease term. Such capitalized leased assets are furniture and fixtures.

## Note 22 — Financial Instruments

### (a) Qualitative information for financial instruments

#### (i) Policy for financial instrument transactions

The Company raises funds through borrowings, issuance of investment corporation bonds, or issuance of investment units, for the purpose of the acquisition of real estate properties, payment of expenditures on property maintenance and/or repayment of existing debt. Surplus funds are managed carefully by investing in financial instruments that meet the Company's investment policy in terms of liquidity and safety in light of the current financial market conditions. Derivative transactions are carried out only for hedging purposes and not for speculative purposes.

#### (ii) Nature and extent of risks arising from financial instruments and risk management

The funds raised through borrowings or issuance of investment corporation bonds are mainly used to acquire real estate properties or properties in trust, and for the repayment of existing borrowings or the redemption of investment corporation bonds.

Although borrowings with floating interest rates are subject to fluctuations in market interest rates, the Company maintains an appropriate level of liabilities ratio in order to manage its exposure to the potential rise in market interest rates. In addition, a certain portion of long-term borrowings with floating interest rates is hedged by derivatives (interest rate swaps) as hedging instruments. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments and the hedged items. When the interest rate swaps meet specific criteria required for the special treatment provided under Japanese GAAP, the assessment of hedge effectiveness is not performed. In accordance with the Company's risk management policy and internal rules, the Company uses derivative instruments for the purpose of hedging risks that are prescribed in the Company's articles of incorporation.

Investment securities are investments in Tokumei Kumiai (silent partnership) agreements, investment limited partnership or private placement REIT. Although these investments are subject to fluctuations in real estate prices or interest rates, the Company regularly monitors the values of the investments and financial position of the issuers, etc.

Liquidity risks relating to borrowings and investment corporation bonds are managed by preparing monthly plans for funds, maintaining high liquidity and entering into credit facility agreements and commitment line agreements.

(iii) Supplemental information on fair value of financial instruments

The fair value of financial instruments is estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated value may differ. In addition, notional amounts relating to derivatives shown in "Note 23 – Derivatives" do not, by themselves, represent the market risk exposure associated with the derivative transactions.

(b) The fair value, etc. of financial instruments

The following table shows the carrying amounts, fair value and unrealized gain (loss) of financial instruments for which fair value is available as of August 31, 2021 and February 28, 2022. Information on cash and bank deposits, those in trust and short-term borrowings, is omitted because the carrying amounts approximate their fair value due to their short maturities. Also, information on tenant leasehold and security deposits, and those in trust, are omitted as immaterial.

	As of								
	August 31, 2021			February 28, 2022			February 28, 2022		
	Carrying amounts	Fair value	Unrealized gain (loss)	Carrying amounts	Fair value	Unrealized gain (loss)	Carrying amounts	Fair value	Unrealized gain (loss)
(in millions)			(in millions)			(in thousands of U.S. dollars (Note 5))			
<b>Assets:</b>									
(1) Investment securities:									
Other investment securities.....	¥ 1,959	¥ 1,959	¥ -	¥ 3,680	¥ 3,680	¥ -	\$ 31,847	\$ 31,847	\$ -
Total.....	¥ 1,959	¥ 1,959	¥ -	¥ 3,680	¥ 3,680	¥ -	\$ 31,847	\$ 31,847	\$ -
<b>Liabilities:</b>									
(1) Current portion of long-term bonds issued – unsecured.....	¥ 6,000	¥ 5,995	¥ 4	¥ 6,000	¥ 5,998	¥ 1	\$ 51,925	\$ 51,908	\$ 8
(2) Current portion of long-term borrowings.....	52,900	52,936	(36)	47,200	47,223	(23)	408,481	408,680	(199)
(3) Long-term bonds issued – unsecured.....	53,500	53,987	(487)	58,500	58,760	(260)	506,274	508,524	(2,250)
(4) Long-term borrowings.....	426,275	427,744	(1,469)	431,975	432,466	(491)	3,738,424	3,742,674	(4,249)
Total.....	¥ 538,675	¥ 540,663	¥ (1,988)	¥ 543,675	¥ 544,449	¥ (774)	\$ 4,705,106	\$ 4,711,804	\$ (6,698)
Derivative instruments*.....	¥ (147)	¥ (147)	¥ -	¥ 53	¥ 53	¥ -	\$ 458	\$ 458	\$ -

\* Net assets and liabilities arising from derivative transactions are presented after off-setting against each other, with amounts in parentheses representing liabilities.

Notes:

(i) The methods and assumptions used to estimate fair value are as follows:

Assets

(1) Investment securities

The fair value of investments in private placement REIT is based on net asset values, etc., provided by asset managers. For further information on the other investment securities, please refer to "Note 10 – Investment Securities".

Liabilities

(1) Current portion of long-term bonds issued – unsecured and (3) Long-term bonds issued – unsecured  
The fair value is the quoted price provided by pricing vendors.

(2) Current portion of long-term borrowings and (4) Long-term borrowings

Long-term borrowings with floating interest rates are stated at their carrying amounts as their carrying amounts approximate their fair values. When long-term borrowings with floating interest rates are hedged by interest rate swaps that qualify for hedge accounting and meet special criteria, the fair value of the hedged long-term borrowings is determined based on the present value of contractual cash flows in conjunction with the hedging interest rate swaps discounted at current market interest rates that would be applicable to new borrowings under the same conditions and terms. For fair value of long-term borrowings with fixed interest rates, the fair value is determined based on the present value of contractual cash flows discounted at current market interest rates which would be applicable to new borrowings under the same conditions and terms.

Derivative instruments

Please refer to "Note 23 – Derivatives" for disclosure of the fair value of the interest rate swaps that is based on the amount calculated by the counterparty to the swap contracts.

(ii) Equity interests in silent partnership and investment limited partnership

For equity interests in silent partnership and investment limited partnership, notes relating to the matters stipulated in Paragraph 4, item 1 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (Accounting Standards Board of Japan Guidance No.19 revised on March 31, 2020) are omitted as the Investment Corporation applies the treatment stipulated in Paragraph 27 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan Guidance No.31 issued on July 4, 2019).

The net book values of equity interests in silent partnership and investment limited partnership are ¥8,651 million and ¥9,434 million (US\$81,650 thousand) as of August 31, 2021 and February 28, 2022, respectively.

(iii) Cash flows schedule of interest-bearing financial liabilities after the balance sheet date

<i>As of August 31, 2021:</i>	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(in millions)					
Long-term borrowings.....	¥ 52,900	¥ 46,700	¥ 43,700	¥ 53,325	¥ 48,550	¥ 234,000
Long-term bonds issued.....	6,000	8,000	14,500	7,000	9,500	14,500
Total.....	¥ 58,900	¥ 54,700	¥ 58,200	¥ 60,325	¥ 58,050	¥ 248,500

<i>As of February 28, 2022:</i>	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(in millions)					
Long-term borrowings.....	¥ 47,200	¥ 41,300	¥ 52,150	¥ 57,675	¥ 43,850	¥ 237,000
Long-term bonds issued.....	6,000	15,500	14,000	-	14,500	14,500
Total.....	¥ 53,200	¥ 56,800	¥ 66,150	¥ 57,675	¥ 58,350	¥ 251,500

<i>As of February 28, 2022:</i>	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(in thousands of U.S. dollars (Note 5))					
Long-term borrowings.....	\$ 408,481	\$ 357,421	\$ 451,319	\$ 499,134	\$ 379,489	\$ 2,051,060
Long-term bonds issued.....	51,925	134,141	121,159	-	125,486	125,486
Total.....	\$ 460,406	\$ 491,562	\$ 572,479	\$ 499,134	\$ 504,976	\$ 2,176,546

## Note 23 — Derivatives

Information on derivative transactions undertaken by the Company as of August 31, 2021 and February 28, 2022 is as follows. Derivative transactions are carried out for hedging purposes only and are subject to hedge accounting.

### *As of August 31, 2021:*

Method of hedge accounting	Type of derivatives	Hedged item	Notional amounts			Fair value <sup>(i)</sup>
			Total	Over 1 year	(in millions)	
Deferred hedge accounting	Interest rate swap (Floating-rate to fixed-rate interest)	Long-term borrowings	¥ 33,500	¥ 17,300	¥ (147)	
Special treatment for hedge accounting of interest rate swaps <sup>(i)</sup>	Interest rate swap (Floating-rate to fixed-rate interest)	Long-term borrowings	84,500	66,500	Note (i)	
Total.....			¥ 118,000	¥ 83,800	¥ (147)	

### *As of February 28, 2022:*

Method of hedge accounting	Type of derivatives	Hedged item	Notional amounts			Notional amounts			Fair value <sup>(i)</sup>
			Total	Over 1 year	(in millions)	Total	Over 1 year	(in thousands of U.S. dollars (Note 5))	
Deferred hedge accounting	Interest rate swap (Floating-rate to fixed-rate interest)	Long-term borrowings	¥ 28,500	¥ 17,300	¥ 53	\$ 246,646	\$ 149,718	\$ 458	
Special treatment for hedge accounting of interest rate swaps <sup>(i)</sup>	Interest rate swap (Floating-rate to fixed-rate interest)	Long-term borrowings	73,500	54,000	Note (i)	636,088	467,330	Note (i)	
Total.....			¥ 102,000	¥ 71,300	¥ 53	\$ 882,734	\$ 617,048	\$ 458	

Notes:

- (i) The interest rate swaps for which the Company applies the special treatment provided under the Accounting Standard Board of Japan Statement No.10, "Accounting Standard for Financial Instruments" revised on March 10, 2008, are not required to be separately recorded in the Company's balance sheets. The fair value of those interest rate swaps is included in the fair value of the hedged long-term borrowings. Please refer to "Note 22 — Financial Instruments", (b) The fair value, etc. of financial instruments, Note (i), Liabilities, (2) and (4).
- (ii) The fair value is evaluated at the amount calculated by the counterparty to the interest rate swaps contracts.

## Note 24 — Asset Retirement Obligations

The Company has an obligation under a fixed-term leasehold agreement to restore its leased land, which represents a portion of the land where DFS T GALLERIA OKINAWA, owned by the Company, is located, upon the termination of the agreement, and contractual or legal obligations to remove asbestos contained in the buildings of KAWASAKI Le FRONT, JMF Jingumae 02 and Twin 21.

Based on the lease period per the agreement or the useful life of each building containing asbestos, the estimated period of use of the properties are estimated at 9 years, 24 years, 22 years and 30 years, respectively. The asset retirement obligations for the restoration or removal of asbestos are recognized as a liability using discount rates at 0.458%, 1.584%, 0.596% and 0.691%, respectively.

Movements of asset retirement obligations for the six months ended August 31, 2021 and February 28, 2022 are as follows:

	For the six months ended		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
Balance at the beginning of the period.....	¥ 549	¥ 783	\$ 6,776
Increase due to acquisition of properties.....	230	-	-
Adjustment for passage of time.....	3	3	25
Balance at the end of the period.....	¥ 783	¥ 787	\$ 6,810

## Note 25 — Employee Retirement Benefits

Not applicable.

## Note 26 — Share of Profit of Investments Accounted for Using the Equity Method

Not applicable.

## Note 27 — Related-Party Transactions

For the six months ended August 31, 2021 and February 28, 2022, there were no applicable transactions with related parties as defined under the Financial Instruments and Exchanges Act.

Transactions with related parties as defined under the Investment Trust Act<sup>(6)</sup> are as below. Consumption taxes are excluded from the amounts of transactions, but included in the amounts of balances.

### (a) Real Estate Acquisition

There was no acquisition of property from related parties for the six months ended August 31, 2021 and February 28, 2022.

### (b) Fees Paid to the Asset Manager

Fees paid to the asset manager, Mitsubishi Corp.-UBS Realty Inc., are comprised as follows:

- Asset management fees I, calculated at 0.45% of the Company's total assets
- Asset management fees II, calculated at 5.65% of cash distribution declared for last fiscal period
- Acquisition fees, calculated at 0.8% of the purchase price of the property acquired
- Disposition fees, calculated at 0.6% of the disposition amount of the property disposed
- Merger fees, calculated at maximum 0.2% of the total specified assets succeeded by merger

For the six months ended August 31, 2021 and February 28, 2022, the asset management fees totaled ¥4,449 million and ¥3,690 million (US\$31,934 thousand), respectively. The fees for the six months ended August 31, 2021 included ¥239 million of acquisition fees, ¥117 million of disposition fees and ¥1,000 million of merger fees. The fees for the six months ended February 28, 2022 included ¥472 million (US\$4,084 thousand) of acquisition fees and ¥144 million (US\$1,246 thousand) of

disposition fees.

Acquisition fees are capitalized as part of the acquisition cost of the properties.

***(c) Transactions with the Custodian and General Administrator***

Fees paid to the custodian and general administrator, Mitsubishi UFJ Trust and Banking Corporation, were 132 million and 149 million (US\$1,289 thousand) for general administration fees, and ¥29 million and ¥30 million (US\$259 thousand) for custodian fees for the six months ended August 31, 2021 and February 28, 2022, respectively. These fees have been decided based on standard terms commensurate with arm's length transactions.

The ending balances of accrued general administration fees and accounts payable for custodian fees as of February 28, 2022 were ¥64 million (US\$553 thousand) and ¥4 million (US\$34 thousand), respectively.

Note:

- (i) Under the Investment Trust Act, the definition of a "related party" includes the asset management company and its interested parties (parent and subsidiary corporations, specified individual shareholders, and major shareholders of the asset management company defined as interested parties under Article 201 of the Investment Trust Act and Article 123 of the Order for Enforcement of the Investment Trust Act), as well as the asset custody company, in addition to controlling unitholders, major unitholders, subsidiary corporations, subsidiary companies of controlling unitholders, and officers and their close relatives.

**Note 28 — Per Unit Information**

The following table shows the net asset value per unit as of August 31, 2021 and February 28, 2022 and net income per unit for the six months then ended.

Net income per unit is calculated by dividing the net income attributable to unitholders by the weighted average number of investment units outstanding during the six month period. The Company has no dilutive potential investment units.

	As of / For the six months ended		
	August 31, 2021	February 28, 2022	February 28, 2022
	(Yen)		(US\$ (Note 6))
Net asset value per unit.....	¥ 89,234	¥ 89,404	\$ 773
Net income per unit.....	¥ 1,938	¥ 2,421	\$ 20

A basis of calculation of net income per unit is as follows:

	As of / For the six months ended		
	August 31, 2021	February 28, 2022	February 28, 2022
	(in millions)		(in thousands of U.S. dollars (Note 5))
Net income.....	¥ 13,549	16,924	\$ 146
Amounts not attributable to common unitholders.....	-	-	-
Net income attributable to common unitholders.....	¥ 13,549	16,924	\$ 146
Weighted average number of investment units.....	6,989,091	6,989,091	

## Note 29 — Segment Information

Segment information for the six months ended August 31, 2021 and February 28, 2022 is as follows:

### *(a) Operating Segment Information*

Disclosure is omitted as the Company is comprised of a single reportable segment engaged in the property rental business.

### *(b) Enterprise-wide Disclosures*

#### *(i) Information about Products and Services*

Disclosure is not required as revenues from external customers for the single segment are in excess of 90% of total revenues.

#### *(ii) Information about Geographic Areas*

##### *Revenues from Overseas Customers:*

Disclosure is not required as revenues from external customers attributed to Japan are in excess of 90% of total revenues.

##### *Tangible Fixed Assets:*

Disclosure is not required as tangible fixed assets located in Japan are in excess of 90% of total tangible fixed assets.

#### *(iii) Information about Major Customers*

Disclosure is not required as there are no customers for which revenues are in excess of 10% of total revenues.

## Note 30 — Significant Non-cash Transactions

### *For the six months ended August 31, 2021:*

The following table shows assets acquired and liabilities assumed by the Company through the merger with MCUBS MidCity Investment Corporation. Capital surplus was increased by ¥187,868 million by the merger.

	<b>Amounts acquired or assumed (in millions)</b>
Current assets.....	¥ 16,721
Non-current assets.....	305,872
<b>Total assets.....</b>	<b>¥ 322,594</b>
Current liabilities.....	¥ 29,102
Non-current liabilities.....	121,672
<b>Total liabilities.....</b>	<b>¥ 150,774</b>

### *For the six months ended February 28, 2022:*

Not applicable.

## Note 31— Business Combination

**For the six months ended August 31, 2021:**

### **1. Outline of Business Combination**

*(1) Name and Business of the Acquiree*

Name: MCUBS MidCity Investment Corporation (hereinafter referred to as “MMI”)  
Business: To invest mainly specified asset under the Law Concerning Investment Trusts

*(2) Primary Reason for Business Combination*

The Company and MMI entered into the merger agreement on August 28, 2020, in order to lead to further stability and growth potential owing to increased presence in the J-REIT Market realized by the expanded asset size and to the diversified purposes of use of investment target assets realized by conversion to a diversified REIT.

*(3) Date of Business Combination*

March 1, 2021

*(4) Type of the Business Combination*

The business combination was an absorption-type merger with the Company as the surviving corporation and MMI was dissolved.

*(5) Name of the Combined Entity after the Business Combination*

Japan Metropolitan Fund Investment Corporation (the Company has changed its trade name from to Japan Retail Fund Investment Corporation on March 1, 2021)

*(6) Basis for Identifying the Acquirer*

The Company was identified as the acquirer in accordance with the accounting standard for business combinations, comprehensively considering the relative voting rights of the unitholders as a group in the combined entity after the business combination, the composition of the governing body of the combined entity and other factors.

### **2. Reporting Period of the Acquiree Included in the Financial Statements of the Combined Entity**

From March 1, 2021 to August 31, 2021

### **3. Acquisition Cost of the Acquiree and Breakdown by Type of Consideration**

*Consideration Transferred:*

Aggregate market value of the investment units of the Company issued on the date of the business combination

¥187,868 million

Total of acquisition cost

¥187,868 million

### **4. Merger ratio, calculation of the merger ratio and number of investment units issued**

*(1) The Merger Ratio*

The Company allocated its one investment unit to one investment unit of MMI. The Company executed a two-for-one unit split with February 28, 2021 as the record date for the unit split and March 1, 2021 as the effective date.

*(2) Calculation of the Merger Ratio*

In order to support the fairness of the calculation of the merger ratio for the merger, the Company appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and MMI appointed SMBC Nikko Securities Inc., respectively, as their financial advisors to perform financial analyses regarding the merger ratio.

As a result of discussions and negotiations over an extended period comprehensively taking into consideration such factors as the financial performance and state of the assets and liabilities of each of the Company and MMI, their future business prospects, the merits of the Merger and the results of the financial analyses performed by their respective financial advisors, the Company and MMI determined that the above merger ratios are fair.

*(3) Units Issued for the Merger*

1,784,125 units

**5. Details of Major Acquisition-Related Costs**

Merger fees: ¥1,000 million

**6. Goodwill Resulting from the Merger**

*(1) Amount of Goodwill*

¥16,049 million

*(2) Reason Why the Merger Resulted in Goodwill*

The goodwill occurred because the acquisition cost amounting to ¥187,868 million exceeded the net assets value at the date of business combination amounting to ¥171,819 million.

*(3) Amortization method and amortization period*

Goodwill is amortized by the straight-line method over 20 years.

**7. Assets Acquired and Liabilities Assumed at the Date of Business Combination**

	<b>Amounts acquired or assumed (in millions)</b>
Current assets.....	¥ 16,721
Non-current assets.....	305,872
<b>Total assets.....</b>	<b>¥ 322,594</b>
Current liabilities.....	¥ 29,102
Non-current liabilities.....	121,672
<b>Total liabilities.....</b>	<b>¥ 150,774</b>

**8. Estimated Effect of the Business Combination on the Statement of Income, Provided That the Business Combination Was Completed at the Beginning of the Current Reporting Period**

No impact because the business combination date was the beginning of the current reporting period.

**For the six months ended February 28, 2022:**

Not applicable.

## Note 32— Subsequent Events

### *Disposition of properties*

The Company disposed of the following property on March 1, 2022.

Property name:	G-Bldg. Ginza 01 (30% of quasi-co-ownership in trust beneficiary interest) Summit Store Nakano Minamidai (trust beneficiary interest)
Disposition amount:	Not disclosed <sup>(i)</sup>
Completion date of contract:	November 30, 2021
Disposition date:	March 1, 2022
Purchaser:	Hulic Co., Ltd.

#### Notes:

- (i) The breakdown of the disposition amount is not disclosed because the consent from the purchaser has not been obtained. On November 30, 2021, the Company signed a disposition contract for properties (G-Bldg. Ginza 01, G-Bldg. Shinjuku 01 and Summit Store Nakano Minamidai) for ¥20,820 million (US\$180,181 thousand) in total. G-Bldg. Ginza 01 (30% quasi-co-ownership of which) and G-Bldg. Shinjuku 01 were transferred to the purchaser by the end of the fiscal period.
- (ii) Gains on sales of property of approximately ¥1,817 million (US\$15,724 thousand) will be recognized in profit as operating revenues for the six months ending August 31, 2022.

The Company disposed of the following property on April 21, 2022.

Property name:	G-Bldg. Jingumae 02 (trust beneficiary interest)
Disposition amount:	¥1,850 million (US\$16,010 thousand)
Completion date of contract:	April 21, 2022
Disposition date:	April 21, 2022
Purchaser:	Not disclosed <sup>(i)</sup>

#### Notes:

- (i) Name of the purchaser is not disclosed because the consent from the purchaser has not been obtained.
- (ii) Loss on sales of property of approximately ¥423 million (US\$3,660 thousand) will be charged as operating expenses for the six months ending August 31, 2022.

**(Additional information)**

***Disposition of properties***

The Company entered into a sale agreement for the following property on November 30, 2021.

Property name:	G-Bldg. Ginza 01 (40% of quasi-co-ownership in trust beneficiary interest)
Disposition amount:	Not disclosed <sup>(i)</sup>
Completion date of contract:	November 30, 2021
Disposition date:	September 1, 2022
Purchaser:	Hulic Co., Ltd.

**Notes:**

- (i) The breakdown of the disposition amount is not disclosed because the consent from the purchaser has not been obtained. On November 30, 2021, the Company signed a disposition contract for properties (G-Bldg. Ginza 01, G-Bldg. Shinjuku 01 and Summit Store Nakano Minamidai) for ¥20,820 million (US\$180,181 thousand) in total. G-Bldg. Ginza 01 (30% quasi-co-ownership of which) and G-Bldg. Shinjuku 01 were transferred to the purchaser by the end of the fiscal period.
- (ii) Gains on sales of property of approximately ¥1,355 million (US\$11,726 thousand) will be recognized in profit as operating revenues for the six months ending February 28, 2023.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**SUPPLEMENTARY SCHEDULES**  
**As of and for the six months ended August 31, 2021 and February 28, 2022**

**1. Investment Securities**

The details of investment securities as of February 28, 2022 are as follows:

Description of securities	Classification of assets	Quantity	Carrying amounts		Fair value <sup>(iv)</sup>		Unrealized gains (or losses)
			Per unit	Amount	Per unit	Amount	
			(yen)	(in millions of yen)	(yen)	(in millions of yen)	
Equity interest of Tokumei Kumiai agreement managed by R40 Godo Kaisha <sup>(i)</sup>	Investment in Tokumei Kumiai agreement	-	¥ -	¥ 8,651	¥ -	¥ 8,651	¥ -
Investment units of Investment units of Nisshin Private Residential Reit, Inc. <sup>(ii)</sup>	Investment securities	3,120	1,179,624	3,680	1,179,624	3,680	-
Equity interest of DREAM Mezzanine Debt Separate3 Investment Limited Partnership <sup>(iii)</sup>	Equity interest of investment limited partnership	-	-	782	-	782	-
<b>Total</b> .....		<b>-</b>	<b>-</b>	<b>¥ 13,115</b>	<b>-</b>	<b>¥ 13,115</b>	<b>¥ -</b>

Description of securities	Classification of assets	Quantity	Carrying amounts		Fair value <sup>(iv)</sup>		Unrealized gains (or losses)
			Per unit	Amount	Per unit	Amount	
			(U.S. dollars (Note 5))	(in thousands of U.S. dollars (Note 5))	(U.S. dollars (Note 5))	(in thousands of U.S. dollars (Note 5))	
Equity interest of Tokumei Kumiai agreement managed by R40 Godo Kaisha <sup>(i)</sup>	Investment in Tokumei Kumiai agreement	-	\$ -	\$ 74,868	\$ -	\$ 74,868	\$ -
Investment units of Investment units of Nisshin Private Residential Reit, Inc. <sup>(ii)</sup>	Investment securities	3,120	10,208	31,847	10,208	31,847	-
Equity interest of DREAM Mezzanine Debt Separate3 Investment Limited Partnership <sup>(iii)</sup>	Equity interest of investment limited partnership	-	-	6,767	-	6,767	-
<b>Total</b> .....		<b>-</b>	<b>-</b>	<b>\$ 113,500</b>	<b>-</b>	<b>\$ 113,500</b>	<b>\$ -</b>

Notes:

- (i) The investment asset is trust beneficiary interest for the 33.9% co-ownership interest (and 29.5% right of site) of the sectional ownership of Nagoya Lucent Tower.
- (ii) The underlying assets are mainly trust beneficiary interests of Kawasaki Sakuramoto WEST and N-stage Matsudo, etc. The fair value is the quoted price provided by the asset management company.
- (iii) The investment assets is mezzanine loan backed by trust beneficiary rights in a residential property located in Tokyo as entrusted property.
- (iv) The fair values of these interests represent carrying amounts.

## 2. Derivatives

Information on derivative transactions undertaken by the Company as of February 28, 2022 is as follows. Derivative transactions are carried out for hedging purposes only and are subject to hedge accounting.

Category	Type of derivatives	Notional amounts <sup>(i)</sup>			Notional amounts <sup>(i)</sup>		
		Total	Over 1 year (in millions)	Fair value <sup>(ii)</sup>	Total	Over 1 year	Fair value <sup>(ii)</sup>
		(in thousands of U.S. dollars (Note 5))					
Transactions other than market transactions	Interest rate swap (Floating-rate to fixed-rate interest)	¥ 102,000	¥ 71,300	¥ (534)	\$ 882,734	\$ 617,048	\$ (4,621)
Total.....		¥ 102,000	¥ 71,300	¥ (534)	\$ 882,734	\$ 617,048	\$ (4,621)

Notes:

- (i) The contract amount of interest rate swap transactions is based on the notional principals.
- (ii) The fair value is based on the estimation made by the interest rate swap counterparty using the prevailing interest rate.
- (iii) Special accounting treatment is applied to the interest-rate swaps in accordance with the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan (ASBJ) on July 4, 2019; ASBJ Statement No.10) and therefore interest rate swaps are not stated at fair value in the balance sheet.

### 3. Schedule of Property and Equipment

(i) Schedule of Property and Equipment as of August 31, 2021 consisted of the following:

	At cost			Ending balance	Accumulated depreciation	Depreciation for the period	Net property and equipment
	Beginning balance	Increase	Decrease				
	(in millions)						
Buildings.....	¥ 2,450	¥ 24	¥ -	¥ 2,474	¥ 789	¥ 41	¥ 1,684
Building improvements.....	66	-	-	66	30	1	36
Furniture and fixtures.....	21	-	-	21	15	-	5
Land.....	28,459	-	-	28,459	-	-	28,459
Construction in progress.....	3	37	-	41	-	-	41
Buildings in trust.....	286,754	59,493	12,329	333,918	109,594	5,671	224,324
Building improvements in trust.....	12,971	260	1,012	12,218	4,728	186	7,490
Machinery and equipment in trust.....	2,191	38	80	2,149	1,395	53	753
Furniture and fixtures in trust.....	4,857	209	92	4,975	3,163	153	1,811
Land in trust.....	602,253	270,324	22,597	849,981	-	-	849,981
Construction in progress in trust.....	40	78	-	118	-	-	118
Total.....	¥ 940,071	¥ 330,466	¥ 36,113	¥ 1,234,424	¥ 119,718	¥ 6,108	¥ 1,114,706

(ii) Schedule of Property and Equipment as of February 28, 2022 consisted of the following:

	At cost			Ending balance	Accumulated depreciation	Depreciation for the period	Net property and equipment
	Beginning balance	Increase	Decrease				
	(in millions)						
Buildings.....	¥ 2,474	¥ -	¥ 9	¥ 2,465	¥ 825	¥ 40	¥ 1,639
Building improvements.....	66	-	-	66	32	1	34
Furniture and fixtures.....	21	-	-	21	16	-	5
Land.....	28,459	-	-	28,459	-	-	28,459
Construction in progress.....	41	-	38	2	-	-	2
Buildings in trust.....	333,918	9,223	1,353	341,788	114,653	5,549	227,135
Building improvements in trust.....	12,218	60	64	12,214	4,880	180	7,334
Machinery and equipment in trust.....	2,149	51	-	2,200	1,449	53	751
Furniture and fixtures in trust.....	4,975	185	18	5,142	3,310	157	1,831
Land in trust.....	849,981	54,308	20,463	883,826	-	-	883,826
Construction in progress in trust.....	118	46	10	154	-	-	154
Total.....	¥ 1,234,424	¥ 63,875	¥ 21,958	¥ 1,276,341	¥ 125,167	¥ 5,983	¥ 1,151,174

	At cost			Ending balance	Accumulated depreciation	Depreciation for the period	Net property and equipment
	Beginning balance	Increase	Decrease				
	(in thousands of U.S. dollars (Note 5))						
Buildings.....	\$ 21,410	\$ -	\$ 77	\$ 21,332	\$ 7,139	\$ 346	\$ 14,184
Building improvements.....	571	-	-	571	276	8	294
Furniture and fixtures.....	181	-	-	181	138	-	43
Land.....	246,291	-	-	246,291	-	-	246,291
Construction in progress.....	354	-	328	17	-	-	17
Buildings in trust.....	2,889,813	79,818	11,709	2,957,922	992,237	48,022	1,965,685
Building improvements in trust.....	105,737	519	553	105,703	42,232	1,557	63,470
Machinery and equipment in trust.....	18,598	441	-	19,039	12,540	458	6,499
Furniture and fixtures in trust.....	43,054	1,601	155	44,500	28,645	1,358	15,845
Land in trust.....	7,355,958	469,995	177,092	7,648,861	-	-	7,648,861
Construction in progress in trust.....	1,021	398	86	1,332	-	-	1,332
Total.....	\$ 10,683,028	\$ 552,790	\$ 190,030	\$ 11,045,789	\$ 1,083,228	\$ 51,778	\$ 9,962,561

#### 4. Schedule of Intangible Assets

(i) Schedule of Intangible Assets as of August 31, 2021 consisted of the following:

	At cost			Ending balance	Accumulated amortization	Amortization for the period	Net intangible assets
	Beginning balance	Increase	Decrease				
	(in millions)						
Goodwill.....	¥ -	¥ 16,049	¥ -	¥ 16,049	¥ 401	¥ 401	¥ 15,647
Leasehold rights.....	5,384	-	-	5,384	330	20	5,053
Other intangible assets.....	91	166	-	258	32	12	226
Other intangible assets in trust.....	441	3	4	440	343	20	96
Total.....	¥ 5,916	¥ 16,219	¥ 4	¥ 22,132	¥ 1,107	¥ 454	¥ 21,024

(ii) Schedule of Intangible Assets as of February 28, 2022 consisted of the following:

	At cost			Ending balance	Accumulated amortization	Amortization for the period	Net intangible assets
	Beginning balance	Increase	Decrease				
	(in millions)						
Goodwill.....	¥ 16,049	¥ -	¥ -	¥ 16,049	¥ 802	¥ 401	¥ 15,246
Leasehold rights.....	5,384	-	-	5,384	350	20	5,033
Other intangible assets.....	258	123	-	381	67	34	314
Other intangible assets in trust.....	440	7	-	447	363	19	84
Total.....	¥ 22,132	¥ 130	¥ -	¥ 22,262	¥ 1,583	¥ 475	¥ 20,679

	At cost			Ending balance	Accumulated amortization	Amortization for the period	Net intangible assets
	Beginning balance	Increase	Decrease				
	(in thousands of U.S. dollars (Note 5))						
Goodwill.....	\$ 138,892	\$ -	\$ -	\$ 138,892	\$ 6,940	\$ 3,470	\$ 131,942
Leasehold rights.....	46,594	-	-	46,594	3,028	173	43,556
Other intangible assets.....	2,232	1,064	-	3,297	579	294	2,717
Other intangible assets in trust.....	3,807	60	-	3,868	3,141	164	726
Total.....	\$ 191,536	\$ 1,125	\$ -	\$ 192,661	\$ 13,699	\$ 4,110	\$ 178,961

#### 5. Schedule of Other Specified Assets

Not applicable.

## 6. Investment corporation bonds

Classification	Name of bonds	Issuance date	Beginning balance	Increase	Decrease	Ending balance	Interest rate	Maturity date	Repayment method	Use	Remarks
			(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)				
Unsecured investment corporation bonds	Japan Retail Fund Investment Corporation 7th series unsecured investment corporation bonds	December 18, 2013	7,500	-	-	7,500	1.108	December 18, 2023	Lump sum (Note 2)	(Note 3)	Unsecured and unguaranteed
	Japan Retail Fund Investment Corporation 8th series unsecured investment corporation bonds	June 26, 2014	8,000	-	-	8,000	1.260	June 26, 2026	Lump sum (Note 2)	(Note 3)	Unsecured and unguaranteed
	Japan Retail Fund Investment Corporation 9th series unsecured investment corporation bonds	February 5, 2015	7,000	-	-	7,000	0.765	February 5, 2025	Lump sum (Note 2)	(Note 4)	Unsecured and unguaranteed
	MUCBS MidCity Investment Corporation 2nd series unsecured investment corporation bonds	May 23, 2016	1,500	-	-	1,500	0.810	May 22, 2026	Lump sum (Note 2)	(Note 3)	Unsecured and unguaranteed
	Japan Retail Fund Investment Corporation 10th series unsecured investment corporation bonds (Note 1)	May 19, 2017	5,000	-	-	5,000	0.220	May 19, 2022	Lump sum (Note 2)	(Note 4)	Unsecured and unguaranteed
	Japan Retail Fund Investment Corporation 11th series unsecured investment corporation bonds	May 19, 2017	2,000	-	-	2,000	0.480	May 19, 2027	Lump sum (Note 2)	(Note 4)	Unsecured and unguaranteed
	MUCBS MidCity Investment Corporation 3rd series unsecured investment corporation bonds (Note 1)	May 29, 2017	1,000	-	-	1,000	0.260	May 27, 2022	Lump sum (Note 2)	(Note 3)	Unsecured and unguaranteed
	MUCBS MidCity Investment Corporation 4th series unsecured investment corporation bonds	May 29, 2017	2,000	-	-	2,000	0.670	May 28, 2027	Lump sum (Note 2)	(Note 3)	Unsecured and unguaranteed
	MUCBS MidCity Investment Corporation 5th series unsecured investment corporation bonds	May 29, 2018	2,000	-	-	2,000	0.590	May 29, 2028	Lump sum (Note 2)	(Note 3)	Unsecured and unguaranteed
	Sub-total			36,000	-	-	36,000				
Green Bonds	Japan Retail Fund Investment Corporation 12th series unsecured investment corporation bonds (1st JRF Green Bonds)	May 25, 2018	8,000	-	-	8,000	0.210	May 25, 2023	Lump sum (Note 2)	(Note 5)	Unsecured and unguaranteed
	Japan Retail Fund Investment Corporation 13th series unsecured investment corporation bonds (2nd JRF Green Bonds)	June 25, 2019	7,000	-	-	7,000	0.200	June 25, 2024	Lump sum (Note 2)	(Note 5)	Unsecured and unguaranteed
	Japan Metropolitan Fund Investment Corporation 1st series unsecured investment corporation bonds (1st JMF Green Bonds)	June 25, 2021	8,500	-	-	8,500	0.450	June 25, 2031	Lump sum (Note 2)	(Note 5)	Unsecured and unguaranteed
	Japan Metropolitan Fund Investment Corporation 2nd series unsecured investment corporation bonds (2nd JMF Green Bonds)	December 7, 2021	-	5,000	-	5,000	0.140	December 7, 2026	Lump sum (Note 2)	(Note 6)	Unsecured and unguaranteed
	Sub-total			23,500	5,000	-	28,500				
<b>Total</b>			<b>59,500</b>	<b>5,000</b>	<b>-</b>	<b>64,500</b>					

Note 1 The balances as of February 28, 2022 are included in current portion of long-term bonds issued - unsecured in the balance sheets.

Note 2 JMF may repurchase bonds at any time on or after the next day of issuance except for the case that transferring term is otherwise limited.

Note 3 The funds were appropriated to repayment of borrowings or working capital.

Note 4 The funds were appropriated to redemption of investment corporation bonds.

Note 5 The funds were appropriated to repayment of borrowings. Repayments are made to satisfy criteria for debts of the Eligible Green Projects defined in the Green Bond Framework.

Note 6 The funds were appropriated to cash on hand reduced by acquisition of a property adopting to eligible green projects.

The following is the maturity schedule for each year within five years after the balance sheet date.

As of February 28, 2022	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years
Japan Retail Fund Investment Corporation 7th series unsecured investment corporation bonds	-	7,500	-	-	-
Japan Retail Fund Investment Corporation 8th series unsecured investment corporation bonds	-	-	-	-	8,000
Japan Retail Fund Investment Corporation 9th series unsecured investment corporation bonds	-	-	7,000	-	-
MUCBS MidCity Investment Corporation 2nd series unsecured investment corporation bonds	-	-	-	-	1,500
Japan Retail Fund Investment Corporation 10th series unsecured investment corporation bonds	5,000	-	-	-	-
Japan Retail Fund Investment Corporation 11th series unsecured investment corporation bonds	-	-	-	-	-
MUCBS MidCity Investment Corporation 3rd series unsecured investment corporation bonds	1,000	-	-	-	-
MUCBS MidCity Investment Corporation 4th series unsecured investment corporation bonds	-	-	-	-	-
MUCBS MidCity Investment Corporation 5th series unsecured investment corporation bonds	-	-	-	-	-
Japan Retail Fund Investment Corporation 12th series unsecured investment corporation bonds (1st JRF Green Bonds)	-	8,000	-	-	-
Japan Retail Fund Investment Corporation 13th series unsecured investment corporation bonds (2nd JRF Green Bonds)	-	-	7,000	-	-
Japan Metropolitan Fund Investment Corporation 1st series unsecured investment corporation bonds (1st JMF Green Bonds)	-	-	-	-	-
Japan Metropolitan Fund Investment Corporation 2nd series unsecured investment corporation bonds (2nd JMF Green Bonds)	-	-	-	-	5,000

## 7. Borrowings

Classification	Name of lender	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks
Short-term	MUFG Bank, Ltd.	December 1, 2021	-	6,000	-	6,000	0.2	November 30, 2022	Lump sum	(Note 4)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	January 31, 2022	-	500	500	-	0.2	February 28, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sub-total		-	6,500	500	6,000					
Long-term	MUFG Bank, Ltd.	September 22, 2011	3,665	-	3,665	-	1.0 (Note 3)	September 22, 2021	Lump sum	(Note 4)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,335	-	1,335	-					
	MUFG Bank, Ltd. (Note 2)	May 22, 2012	4,030	-	-	4,030	1.0 (Note 3)	May 20, 2022	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited (Note 2)		1,470	-	-	1,470					
	Shinsei Bank, Limited (Note 2)	May 22, 2012	3,500	-	-	3,500	1.1 (Note 3)	May 20, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	October 2, 2012	1,000	-	-	1,000	1.6	October 1, 2024	Lump sum	(Note 4)	Unsecured and unguaranteed
	MUFG Bank, Ltd. (Note 2)	October 2, 2012	1,000	-	-	1,000	1.2	October 2, 2022	Lump sum	(Note 4)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	February 28, 2013	5,000	-	5,000	-	1.2 (Note 3)	February 28, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation (Note 2)	March 29, 2013	5,000	-	-	5,000	1.2 (Note 3)	March 31, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	September 30, 2013	3,000	-	-	3,000	1.3	April 7, 2023	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 7, 2013	1,000	-	-	1,000	2.2 (Note 3)	October 6, 2028	Lump sum	(Note 4)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	October 7, 2013	1,500	-	-	1,500	1.5	April 5, 2024	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 7, 2013	1,000	-	-	1,000	1.3	October 6, 2023	Lump sum	(Note 4)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 7, 2013	2,199	-	-	2,199	1.4 (Note 3)	October 6, 2023	Lump sum	(Note 4)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		801	-	-	801					
	MUFG Bank, Ltd.	October 7, 2013	2,565	-	-	2,565	1.3 (Note 3)	April 7, 2023	Lump sum	(Note 4)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		934	-	-	934					
	Development Bank of Japan Inc.	October 7, 2013	1,500	-	-	1,500	1.3	April 7, 2023	Lump sum	(Note 5)	Unsecured and unguaranteed
	Mizuho Bank, Ltd. (Note 2)	October 7, 2013	1,500	-	-	1,500	1.2 (Note 3)	October 7, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd. (Note 2)	October 7, 2013	1,000	-	-	1,000	1.2 (Note 3)	October 7, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation (Note 2)	October 7, 2013	2,000	-	-	2,000	1.2 (Note 3)	October 7, 2022	Lump sum	(Note 4)	Unsecured and unguaranteed
	The Yamaguchi Bank, Ltd.	October 7, 2013	1,000	-	1,000	-	1.0	October 7, 2021	Lump sum	(Note 5)	Unsecured and unguaranteed
	THE NISHI-NIPPON CITY BANK, LTD.	October 7, 2013	1,000	-	1,000	-	1.0 (Note 3)	October 7, 2021	Lump sum	(Note 5)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	March 31, 2014	4,000	-	-	4,000	1.7	March 31, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	April 1, 2014	1,099	-	-	1,099	1.5 (Note 3)	March 31, 2025	Lump sum	(Note 4)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		400	-	-	400					
Development Bank of Japan Inc.	October 1, 2014	3,000	-	-	3,000	1.3	October 1, 2025	Lump sum	(Note 4)	Unsecured and unguaranteed	

Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks
MUFG Bank, Ltd.	October 1, 2014	1,466	-	-	1,466	1.1 (Note 3)	October 1, 2024	Lump sum	(Note 4)	Unsecured and unguaranteed
Sumitomo Mitsui Trust Bank, Limited		534	-	-	534					
MUFG Bank, Ltd.	October 1, 2014	800	-	-	800	1.1	October 1, 2024	Lump sum	(Note 4)	Unsecured and unguaranteed
MUFG Bank, Ltd. (Note 2)	October 1, 2014	2,199	-	-	2,199	0.8 (Note 3)	September 30, 2022	Lump sum	(Note 4)	Unsecured and unguaranteed
Sumitomo Mitsui Trust Bank, Limited (Note 2)		801	-	-	801					
THE NISHI-NIPPON CITY BANK, LTD. (Note 2)	October 1, 2014	1,000	-	-	1,000	0.8 (Note 3)	September 30, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
The Yamaguchi Bank, Ltd. (Note 2)	October 1, 2014	1,000	-	-	1,000	0.8	September 30, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
Mizuho Bank, Ltd. (Note 2)	October 1, 2014	2,000	-	-	2,000	0.7 (Note 3)	April 1, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
MUFG Bank, Ltd.	October 1, 2014	2,565	-	2,565	-	0.7 (Note 3)	October 1, 2021	Lump sum	(Note 4)	Unsecured and unguaranteed
Sumitomo Mitsui Trust Bank, Limited		934	-	934	-					
The Norinchukin Bank	October 1, 2014	1,500	-	1,500	-	0.6 (Note 3)	October 1, 2021	Lump sum	(Note 5)	Unsecured and unguaranteed
Sumitomo Mitsui Trust Bank, Limited	February 2, 2015	200	-	-	200	1.0	January 31, 2025	Lump sum	(Note 5)	Unsecured and unguaranteed
JAPAN POST INSURANCE Co., Ltd.		1,000	-	-	1,000					
MUFG Bank, Ltd.	February 5, 2015	2,928	-	-	2,928	0.8 (Note 3)	February 5, 2024	Lump sum	(Note 6)	Unsecured and unguaranteed
Sumitomo Mitsui Trust Bank, Limited		1,071	-	-	1,071					
MUFG Bank, Ltd. (Note 2)	February 5, 2015	2,928	-	-	2,928	0.7 (Note 3)	February 3, 2023	Lump sum	(Note 6)	Unsecured and unguaranteed
Sumitomo Mitsui Trust Bank, Limited (Note 2)		1,071	-	-	1,071					
Sumitomo Mitsui Banking Corporation	March 2, 2015	1,000	-	-	1,000	1.6 (Note 3)	March 30, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed
Sumitomo Mitsui Banking Corporation	March 2, 2015	7,000	-	-	7,000	1.0 (Note 3)	March 31, 2025	Lump sum	(Note 5)	Unsecured and unguaranteed
Sumitomo Mitsui Banking Corporation	March 2, 2015	6,000	-	-	6,000	0.9 (Note 3)	March 29, 2024	Lump sum	(Note 5)	Unsecured and unguaranteed
Sumitomo Mitsui Banking Corporation	March 2, 2015	6,000	-	-	6,000	0.7 (Note 3)	March 31, 2023	Lump sum	(Note 5)	Unsecured and unguaranteed
Mizuho Bank, Ltd.	July 31, 2015	1,000	-	-	1,000	1.4 (Note 3)	July 31, 2023	Lump sum	(Note 5)	Unsecured and unguaranteed
Aozora Bank, Ltd. (Note 2)	July 31, 2015	650	-	-	650	1.2 (Note 3)	July 31, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
MUFG Bank, Ltd. (Note 2)		650	-	-	650					
Mizuho Bank, Ltd. (Note 2)		500	-	-	500					
Mizuho Trust & Banking Co., Ltd. (Note 2)		400	-	-	400					
Development Bank of Japan Inc. (Note 2)	July 31, 2015	800	-	-	800	1.2	July 31, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
Mizuho Bank, Ltd.	July 31, 2015	500	-	-	500	1.4 (Note 3)	July 31, 2023	Lump sum	(Note 5)	Unsecured and unguaranteed
Development Bank of Japan Inc.	July 31, 2015	500	-	-	500	1.4	July 31, 2023	Lump sum	(Note 5)	Unsecured and unguaranteed
Mizuho Bank, Ltd.	February 18, 2016	6,000	-	-	6,000	0.6 (Note 3)	January 30, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed
Sumitomo Mitsui Trust Bank, Limited	February 18, 2016	1,000	-	-	1,000	0.6 (Note 3)	January 30, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed
The Bank of Fukuoka, Ltd.	February 18, 2016	1,000	-	-	1,000	0.6 (Note 3)	January 30, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed
Resona Bank, Limited	February 18, 2016	1,000	-	-	1,000	0.5 (Note 3)	July 31, 2024	Lump sum	(Note 5)	Unsecured and unguaranteed
Mizuho Trust & Banking Co., Ltd.	February 18, 2016	1,000	-	-	1,000	0.6 (Note 3)	January 30, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed

Long-term

Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks	
											Name of lender
Long-term	MUFG Bank, Ltd.	733	-	-	733	0.5 (Note 3)	March 31, 2026	Lump sum	(Note 4)	Unsecured and unguaranteed	
	Sumitomo Mitsui Trust Bank, Limited	267	-	-	267						
	Mizuho Bank, Ltd.	2,000	-	-	2,000	0.4 (Note 3)	March 31, 2025	Lump sum	(Note 5)	Unsecured and unguaranteed	
	Shinsei Bank, Limited	1,500	-	-	1,500	0.3 (Note 3)	March 29, 2024	Lump sum	(Note 5)	Unsecured and unguaranteed	
	The Chugoku Bank, LTD.	1,000	-	-	1,000	0.3 (Note 3)	March 29, 2024	Lump sum	(Note 5)	Unsecured and unguaranteed	
	Shinkin Central Bank	1,000	-	-	1,000	0.3	March 29, 2024	Lump sum	(Note 5)	Unsecured and unguaranteed	
	The Norinchukin Bank	1,500	-	-	1,500	0.3 (Note 3)	March 29, 2024	Lump sum	(Note 5)	Unsecured and unguaranteed	
	THE NISHI-NIPPON CITY BANK, LTD.	1,000	-	-	1,000	0.5 (Note 3)	March 31, 2025	Lump sum	(Note 5)	Unsecured and unguaranteed	
	Mizuho Trust & Banking Co., Ltd.	1,000	-	-	1,000	0.5 (Note 3)	March 31, 2025	Lump sum	(Note 5)	Unsecured and unguaranteed	
	The 77 Bank, Ltd.	1,000	-	-	1,000	0.5	March 31, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed	
	MUFG Bank, Ltd.	April 28, 2016	4,031	-	-	4,031	0.5	September 30, 2024	Lump sum	(Note 4)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,468	-	-	1,468					
	Development Bank of Japan Inc.	July 29, 2016	10,850	-	-	10,850	0.4	July 30, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	Aozora Bank, Ltd.	July 29, 2016	2,250	-	-	2,250	0.7	July 31, 2024	Lump sum	(Note 5)	Unsecured and unguaranteed
	Development Bank of Japan Inc.		1,350	-	-	1,350					
	Mizuho Bank, Ltd.		600	-	-	600					
	MUFG Bank, Ltd.		500	-	-	500					
	The Bank of Fukuoka, Ltd.	September 21, 2016	2,000	-	-	2,000	0.5	September 30, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed
	Resona Bank, Limited	September 30, 2016	2,500	-	-	2,500	0.5	September 30, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed
	The 77 Bank, Ltd.	September 30, 2016	1,000	-	-	1,000	0.4	September 30, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed
	The Chugoku Bank, LTD.	December 21, 2016	3,000	-	-	3,000	0.7	December 30, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed
	Resona Bank, Limited	December 21, 2016	2,000	-	-	2,000	0.6	December 30, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	January 31, 2017	1,000	-	1,000	-	0.6	January 31, 2022	Lump sum	(Note 4)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,000	-	1,000	-					
	Sumitomo Mitsui Banking Corporation		500	-	500	-					
	Development Bank of Japan Inc.		500	-	500	-					
	MUFG Bank, Ltd.		1,000	-	1,000	-					
	Mizuho Bank, Ltd.	January 31, 2017	1,000	-	-	1,000	0.8	January 31, 2024	Lump sum	(Note 4)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,000	-	-	1,000					
	Sumitomo Mitsui Banking Corporation		500	-	-	500					
Development Bank of Japan Inc.	500		-	-	500						
MUFG Bank, Ltd.	1,000		-	-	1,000						
Development Bank of Japan Inc.	March 31, 2017	2,000	-	-	2,000	0.6	January 29, 2027	Lump sum	(Note 4)	Unsecured and unguaranteed	
The Chugoku Bank, LTD.	March 31, 2017	1,000	-	-	1,000	0.6	January 29, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed	
Shinkin Central Bank	March 31, 2017	1,000	-	-	1,000	0.6	January 29, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed	

Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks	
											Name of lender
Long-term	The Yamaguchi Bank, Ltd.	March 31, 2017	1,000	-	-	1,000	0.6	January 29, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	May 1, 2017	1,099	-	-	1,099	0.4	November 1, 2024	Lump sum	(Note 4)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		400	-	-	400					
	MUFG Bank, Ltd.	May 1, 2017	1,000	-	-	1,000	0.4	May 1, 2025	Lump sum	(Note 4)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	May 1, 2017	2,000	-	-	2,000	0.4	May 1, 2024	Lump sum	(Note 4)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	May 1, 2017	2,000	-	-	2,000	0.6	May 1, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	Resona Bank, Limited	May 1, 2017	1,000	-	-	1,000	0.6	May 1, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	Shinsei Bank, Limited	May 1, 2017	1,000	-	-	1,000	0.6	May 1, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	The Toho Bank, Ltd.	May 19, 2017	2,000	-	-	2,000	0.3	May 16, 2025	Lump sum	(Note 6)	Unsecured and unguaranteed
	The Juroku Bank, Ltd.		1,800	-	-	1,800					
	The Hyakugo Bank, Ltd.		1,350	-	-	1,350					
	Taiyo Life Insurance Company		1,000	-	-	1,000					
	Daishi Hokuetsu Bank, Ltd.		950	-	-	950					
	The Akita Bank, Ltd.		450	-	-	450					
	The Iyo Bank, Ltd.		450	-	-	450					
	Shinkin Central Bank	July 31, 2017	1,100	-	-	1,100	0.7	July 31, 2023	Lump sum	(Note 5)	Unsecured and unguaranteed
	The Senshu Ikeda Bank, Ltd.		800	-	-	800					
	Sumitomo Mitsui Banking Corporation	July 31, 2017	1,000	-	-	1,000	0.7	July 31, 2023	Lump sum	(Note 5)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	July 31, 2017	2,875	-	-	2,875	0.9	July 31, 2025	Lump sum	(Note 5)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.		1,100	-	-	1,100					
	Aozora Bank, Ltd.	July 31, 2017	2,400	-	-	2,400	1.0	July 31, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.		1,000	-	-	1,000					
	Development Bank of Japan Inc.		500	-	-	500					
	Sumitomo Mitsui Trust Bank, Limited (Note 2)	July 31, 2017	1,900	-	-	1,900	0.5	July 29, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
	Tokio Marine & Nichido Fire Insurance Co., Ltd. (Note 2)		500	-	-	500					
	Nippon Life Insurance Company (Note 2)		500	-	-	500					
	The Bank of Fukuoka, Ltd.	September 14, 2017	3,000	-	-	3,000	0.4	March 31, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	September 29, 2017	2,000	-	-	2,000	0.5	September 30, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	The Bank of Fukuoka, Ltd.	October 2, 2017	1,000	-	-	1,000	0.6	September 30, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	Daishi Hokuetsu Bank, Ltd.	October 2, 2017	1,500	-	-	1,500	0.3	September 30, 2024	Lump sum	(Note 5)	Unsecured and unguaranteed
The Ashikaga Bank, Ltd.	1,000		-	-	1,000						
The Juroku Bank, Ltd.	500		-	-	500						
MUFG Bank, Ltd.	October 6, 2017	4,764	-	-	4,764	0.5	July 31, 2024	Lump sum	(Note 4)	Unsecured and unguaranteed	
Sumitomo Mitsui Trust Bank, Limited		1,735	-	-	1,735						
MUFG Bank, Ltd.	November 22, 2017	3,300	-	-	3,300	0.5	November 21, 2025	Lump sum	(Note 5)	Unsecured and unguaranteed	
Sumitomo Mitsui Trust Bank, Limited		1,200	-	-	1,200						
MUFG Bank, Ltd.	November 22, 2017	3,300	-	-	3,300	0.5	May 22, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed	
Sumitomo Mitsui Trust Bank, Limited		1,200	-	-	1,200						
The Joyo Bank, Ltd.	November 22, 2017	1,000	-	-	1,000	0.6	November 22, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed	



Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks	
											Name of lender
Long-term	Mizuho Bank, Ltd.	2,000	-	-	2,000	0.7	July 31, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed	
	Development Bank of Japan Inc.	900	-	-	900						
	MUFG Bank, Ltd.	1,050	-	-	1,050	0.7	January 31, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed	
	Resona Bank, Limited	2,600	-	-	2,600	0.6	January 31, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed	
	Development Bank of Japan Inc.	800	-	-	800						
	Sumitomo Mitsui Trust Bank, Limited	July 31, 2019	1,000	-	-	1,000	0.5 (Note 3)	July 31, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	Shinkin Central Bank	July 31, 2019	2,000	-	-	2,000	0.5	January 31, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	Resona Bank, Limited		2,000	-	-	2,000					
	The Nanto Bank, Ltd.	July 31, 2019	500	-	-	500	0.5	July 31, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed
	The Senshu Ikeda Bank, Ltd.		400	-	-	400					
	Sumitomo Mitsui Banking Corporation	July 31, 2019	1,950	-	-	1,950	0.4	January 31, 2025	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	August 30, 2019	5,500	-	5,500	-	0.3	February 28, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	September 4, 2019	3,000	-	-	3,000	0.3	September 4, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed
	Shinsei Bank, Limited	September 4, 2019	2,000	-	-	2,000	0.3	September 4, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 2, 2019	5,500	-	-	5,500	0.3	March 31, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	October 2, 2019	2,000	-	-	2,000	0.4	October 2, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed
	The Bank of Fukuoka, Ltd.	October 7, 2019	1,000	-	-	1,000	0.3	October 5, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed
	The 77 Bank, Ltd.	October 7, 2019	1,000	-	-	1,000	0.3	October 5, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	November 21, 2019	1,700	-	-	1,700	0.8	November 21, 2029	Lump sum	(Note 4)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	November 21, 2019	1,300	-	-	1,300	0.8	November 21, 2029	Lump sum	(Note 4)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	November 21, 2019	1,300	-	-	1,300	0.7	May 21, 2029	Lump sum	(Note 4)	Unsecured and unguaranteed
	THE NISHI-NIPPON CITY BANK, LTD.		900	-	-	900					
	The Bank of Fukuoka, Ltd.		900	-	-	900					
	Sumitomo Mitsui Trust Bank, Limited	November 21, 2019	2,000	-	-	2,000	0.4 (Note 3)	May 21, 2026	Lump sum	(Note 4)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	November 21, 2019	2,000	-	-	2,000	0.3	May 21, 2024	Lump sum	(Note 4)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	November 21, 2019	500	-	-	500	0.3	November 21, 2023	Lump sum	(Note 4)	Unsecured and unguaranteed
	MUFG Bank, Ltd.		400	-	-	400					
	MUFG Bank, Ltd.	December 20, 2019	5,900	-	-	5,900	0.3	December 20, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 20, 2019	2,100	-	-	2,100	0.4	December 20, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 31, 2020	1,600	-	-	1,600	0.6 (Note 3)	January 31, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed
THE NISHI-NIPPON CITY BANK, LTD.	January 31, 2020	1,500	-	-	1,500	0.6	July 31, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed	
Shinkin Central Bank		1,100	-	-	1,100						
Sumitomo Mitsui Banking Corporation	January 31, 2020	1,500	-	-	1,500	0.5 (Note 3)	January 31, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed	

Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks	
											Name of lender
	January 31, 2020	750	-	-	750	0.5	July 31, 2026	Lump sum	(Note 5)	Unsecured and unguaranteed	
	January 31, 2020	1,100	-	-	1,100	0.3	July 31, 2024	Lump sum	(Note 5)	Unsecured and unguaranteed	
		Sumitomo Mitsui Trust Bank, Limited	1,000	-	-						1,000
	March 19, 2020	9,600	-	-	9,600	0.4	March 19, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed	
	March 19, 2020	3,400	-	-	3,400	0.4	September 19, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed	
	April 2, 2020	3,300	-	-	3,300	0.4	April 2, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed	
	April 2, 2020	1,200	-	-	1,200	0.4	March 31, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed	
	April 2, 2020	3,000	-	-	3,000	0.3	March 31, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed	
	April 7, 2020	1,500	-	-	1,500	0.4	April 5, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed	
	April 7, 2020	1,000	-	-	1,000	0.4	April 5, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed	
	April 30, 2020	2,500	-	-	2,500	0.2	April 28, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed	
	July 31, 2020	4,300	-	-	4,300	0.4	July 31, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed	
	July 31, 2020	1,900	-	-	1,900	0.7	July 31, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed	
		Azora Bank, Ltd.	1,050	-	-						1,050
		Mizuho Trust & Banking Co., Ltd.	400	-	-						400
Long-term	July 31, 2020	1,100	-	-	1,100	0.7	July 31, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed	
	July 31, 2020	2,200	-	-	2,200	0.7	January 31, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed	
		Mizuho Bank, Ltd.	1,000	-	-						1,000
		Resona Bank, Limited	500	-	-						500
	July 31, 2020	700	-	-	700	0.7	January 31, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed	
	July 31, 2020	750	-	-	750	0.7	July 31, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed	
	July 31, 2020	1,700	-	-	1,700	0.5 (Note 3)	July 31, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed	
	July 31, 2020	800	-	-	800	0.6	January 31, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed	
	July 31, 2020	1,700	-	-	1,700	0.4 (Note 3)	July 31, 2025	Lump sum	(Note 5)	Unsecured and unguaranteed	
	July 31, 2020	500	-	-	500	0.4	January 31, 2025	Lump sum	(Note 5)	Unsecured and unguaranteed	
	September 18, 2020	4,500	-	-	4,500	0.4	September 18, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed	
	September 18, 2020	2,900	-	-	2,900	0.3	March 16, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed	
	September 18, 2020	1,000	-	-	1,000	0.3	September 15, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed	
	September 18, 2020	1,600	-	-	1,600	0.2	September 17, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed	
	September 30, 2020	2,000	-	-	2,000	0.2	September 29, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed	

Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks	
											Name of lender
Long-term	September 30, 2020	2,000	-	-	2,000	0.2	September 30, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed	
	Sumitomo Mitsui Trust Bank, Limited	September 30, 2020	2,000	-	-	2,000	0.4	September 30, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	September 30, 2020	2,000	-	-	2,000	0.4	September 30, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd.	September 30, 2020	1,500	-	-	1,500	0.4	September 30, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed
	Shinkin Central Bank	September 30, 2020	1,500	-	-	1,500	0.4	September 30, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	October 1, 2020	3,000	-	-	3,000	0.4	September 30, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	October 2, 2020	2,000	-	-	2,000	0.2	September 29, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 2, 2020	2,250	-	-	2,250	0.2	September 30, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	October 2, 2020	800	-	-	800	0.2	September 30, 2027	Lump sum	(Note 5)	Unsecured and unguaranteed
	Shinkin Central Bank	October 7, 2020	1,500	-	-	1,500	0.4	September 30, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 22, 2021	2,500	-	-	2,500	0.5	March 20, 2031	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 22, 2021	2,900	-	-	2,900	0.4	September 21, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 22, 2021	2,000	-	-	2,000	0.2	March 22, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 22, 2021	2,600	-	-	2,600	0.5	March 22, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd. (Note 2)	March 31, 2021	1,000	-	-	1,000	0.2	September 30, 2022	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 31, 2021	1,500	-	-	1,500	0.2	February 29, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	April 1, 2021	1,500	-	-	1,500	0.3	March 30, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	April 1, 2021	1,500	-	-	1,500	0.4	March 29, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed
	The Bank of Fukuoka, Ltd.	April 1, 2021	1,000	-	-	1,000	0.5	March 31, 2031	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	April 7, 2021	2,200	-	-	2,200	0.4	September 30, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	April 7, 2021	800	-	-	800	0.3	April 7, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed
Mizuho Bank, Ltd.	April 30, 2021	1,400	-	-	1,400	0.5	April 30, 2031	Lump sum	(Note 5)	Unsecured and unguaranteed	
Sumitomo Mitsui Banking Corporation	April 30, 2021	700	-	-	700	0.3	April 27, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed	
Sumitomo Mitsui Trust Bank, Limited	April 30, 2021	700	-	-	700	0.2	April 28, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed	
MUFG Bank, Ltd.	June 21, 2021	5,000	-	-	5,000	0.2	June 30, 2023	Lump sum	(Note 5)	Unsecured and unguaranteed	
Sumitomo Mitsui Banking Corporation	July 30, 2021	950	-	-	950	0.2	January 31, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed	

Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks	
											Name of lender
Long-term	MUFG Bank, Ltd.	July 30, 2021	2,650	-	-	2,650	0.2	January 31, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed
	Aozora Bank, Ltd.	July 30, 2021	1,700	-	-	1,700	0.4	July 31, 2031	Lump sum	(Note 5)	Unsecured and unguaranteed
	Resona Bank, Limited	July 30, 2021	1,300	-	-	1,300	0.4	July 31, 2031	Lump sum	(Note 5)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	July 30, 2021	900	-	-	900	0.4	July 31, 2031	Lump sum	(Note 5)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	July 30, 2021	900	-	-	900	0.4	July 31, 2031	Lump sum	(Note 5)	Unsecured and unguaranteed
	The Senshu Ikeda Bank, Ltd.	July 30, 2021	550	-	-	550	0.4	July 31, 2031	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited (Note 2)	August 31, 2021	2,000	-	-	2,000	0.2	February 28, 2023	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 1, 2021	-	3,250	-	3,250	0.2	March 30, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 1, 2021	-	3,000	-	3,000	0.4	September 30, 2031	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	October 1, 2021	-	2,250	-	2,250	0.2	October 2, 2028	Lump sum	(Note 5)	Unsecured and unguaranteed
	The Norinchukin Bank	October 1, 2021	-	1,500	-	1,500	0.5	September 30, 2031	Lump sum	(Note 5)	Unsecured and unguaranteed
	The Yamaguchi Bank, Ltd.	October 7, 2021	-	1,000	-	1,000	0.5	March 31, 2033	Lump sum	(Note 5)	Unsecured and unguaranteed
	THE NISHI-NIPPON CITY BANK, LTD.	October 7, 2021	-	1,000	-	1,000	0.5	September 30, 2031	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 21, 2021	-	2,000	-	2,000	0.2	December 21, 2023	Lump sum	(Note 5)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	January 31, 2022	-	1,500	-	1,500	0.6	January 30, 2032	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	January 31, 2022	-	1,000	-	1,000	0.3	January 31, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 31, 2022	-	1,000	-	1,000	0.3	January 31, 2029	Lump sum	(Note 5)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	February 28, 2022	-	5,500	-	5,500	0.5	February 28, 2030	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	February 28, 2022	-	3,000	-	3,000	0.5	February 27, 2032	Lump sum	(Note 5)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	February 28, 2022	-	2,500	-	2,500	0.2	February 29, 2024	Lump sum	(Note 5)	Unsecured and unguaranteed
Sub-total		479,175	28,500	28,500	479,175						
Total		479,175	35,000	29,000	485,175						

Note 1 The average interest rate indicates a weighted average of interest rates, rounded to the first decimal place.

Note 2 The balances as of February 28, 2022 are included in current portion of long-term borrowings in the balance sheets.

Note 3 The borrowings are hedged by interest rate swaps and the average interest rates of the borrowings are calculated adjusting the effect of the interest rate swaps.

Note 4 The funds were appropriated to purchasing real property or trust beneficiary interests in real property and miscellaneous expenses relating to the acquisition.

Note 5 The funds were mainly appropriated to repayment of borrowings.

Note 6 The funds were appropriated to redemption of corporate bonds.

The following is the maturity schedule for each year within five years of the balance sheet date.

Due within 1 year	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years
Long-term borrowings	47,200	41,300	52,150	57,675	43,850